

# The NATIONAL UNDERWRITER



## The REWARDS of LEADERSHIP

*Pioneering* often is the privilege of the young. Yet... there is one company which hasn't stiffened with age. Curiously enough, it's the *oldest* Capital Stock Insurance organization in America. Yet it has the get-up-and-go of a teen-ager, backed by the wisdom of 153 years' experience.

The rewards of such leadership are many. Agents find it pays to represent one of the Insurance Company of North America Companies—in increased business, because they can be first with the latest in the public interest, as well as in internal satisfaction of being a part of one of America's leading Fire and Casualty insurance groups.



INSURANCE COMPANY OF  
**NORTH AMERICA**  
COMPANIES, Philadelphia

INSURANCE COMPANY OF NORTH AMERICA  
THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

INDEMNITY INSURANCE COMPANY OF NORTH AMERICA  
PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY

KEEP AMERICA BUSY — GIVE A RETURNED VETERAN A JOB!

THURSDAY, JANUARY 3, 1946

HERE'S THE

*first*

What is the

**America Fore**  
★ INSURANCE GROUP ★

**THE AMERICA FORE INSURANCE GROUP**

is five outstanding capital stock insurance companies, operating under the same management, and writing every type of insurance except life—

Companies which for nearly one hundred years, through war, depression, and disaster, have paid promptly and in full all just claims—

Companies with over forty thousand agents, nation-wide, care-

fully selected for their ability to advise and to serve the American public on insurance matters—

Companies which provide the best insurance protection, at low cost and with the ability to meet claims, regardless of panic or catastrophe—

Companies whose constant aim is to keep outstanding in the field of insurance—

Companies in which the prudent man will place his insurance!

This is the America Fore Group.

THE CONTINENTAL  
FIDELITY-PHENIX  
NIAGARA  
AMERICAN EAGLE  
(FIRE INSURANCE COMPANIES)  
FIDELITY & CASUALTY  
COMPANY OF NEW YORK  
Bernard M. Culver  
President  
Frank A. Christensen  
Vice Pres.

**America Fore**  
★ INSURANCE GROUP ★

**T**HIS is the first of a new series of advertisements which will appear in national magazines during 1946 to plug America Fore Agents, America Fore Companies and explain the coverages available for the adequate protection of the insuring public.

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## Sees Publicity as Substitute for Policing

W. R. McCain Says  
Everything Must Now  
Be in the Open

The Southeastern Underwriters Association, in printing in pamphlet form the presidential address of Caspar S. Whitner, Hartford Fire, at the semi-annual meeting Oct. 31, also prints the comment on the address that was made at that time by W. Ross McCain, president of Aetna Fire, and R. R. Martin, U. S. manager of Atlas.

These comments indicate a conviction that the territorial organizations such as S.E.U.A. have a definite and valued place in the business despite the S.E.U.A. Supreme Court decision although the operations will have to be based on a new philosophy and there will have to be a change of emphasis.

Mr. Whitner had emphasized the vital functions that S.E.U.A. has performed, does perform and will continue to perform that are necessary to the welfare of the people and to fire insurance. He expressed a belief that the regional organizations in the future will be even more necessary to the welfare of the business because they are closer to the citizens and the governments in the territory in which they have their being and can better serve those whose needs they best know.

### Business Stunned at First

Mr. McCain stated that when the Supreme Court decision was handed down the business was more or less stunned "and so often when people are confused and afraid they do not act wisely."

During its many hundred years fire insurance has built one of the most honorable enterprises in the United States and he said that it is remarkable that there is as little wrong with insurance as there is. It has now had a resurgence of courage.

"We have made up our minds," he said, "that we are not going to give up the things that are worthwhile in the insurance business. We will fight for those things straight on down the line as long as there is anyone left to fight. We have fine engineering services, sprinklered risk services and many others that are worthwhile to the business and public and we intend to fight to keep those things."

### Very Little Wrong

"There has been very little wrong with the regional organizations," Mr. McCain said. In the past they have been maintained more or less for policing purposes. In fact, he declared, too much time had to be spent policing.

"In this new era," he went on, "it seems to me the activities must be much greater and broader; they will be more important to the business and are going to establish higher ethics. The conduct in the business will not make it necessary to fine people and force them to do what they should do. The regional organizations in the future will use more publicity and it will no longer be considered a fair thing for a man to beat a rule if he can beat it. Everything should be brought out in the open."

"The theory now is that the only  
(CONTINUED ON PAGE 15)

## Text of Fire Rating Bill of All-Industry Group

The all-industry committee released this week the text of the fire and marine rating legislation which it recommends. This is the product of many months of discussion and debate. The conferees were not able to come to a unanimous agreement as to whether rating legislation should embody the principle of prior approval of rates by the state authority or filing subject to subsequent disapproval. The committee finally took a vote and the majority favored the second procedure or filing with veto principles. Nevertheless, the committee at this time is presenting alternative bills, one embodying the prior approval theory and the other that of filing subject to subsequent disapproval.

These measures are identical except at those points where the two principles conflict. The text is given below, including each of the alternative provisions:

An act relating to the making, filing and use of rates for fire, marine and fire and marine insurance, and all other forms of motor vehicle insurance, and the establishment, licensing and regulation of rating organizations, permitting membership by insurers in such rating organizations, prescribing certain exemptions, prescribing penalties, providing for judicial review of acts of the commissioner of insurance under this act, and repealing existing laws.

### SECTION 1—PURPOSE OF ACT

The purpose of this act is to promote the public welfare by regulating insurance rates to the end that they shall be reasonable, adequate and not unfairly discriminatory, and to authorize cooperative action among insurers in rate making and in other matters within the scope of this act. Nothing in this act is intended (1) to prohibit or discourage reasonable competition, or (2) to prohibit, or encourage except to the extent necessary to accomplish the aforementioned purpose, uniformity in insurance rates, rating plans or practices. This act shall be liberally interpreted to carry into effect the provisions of this section.

### SECTION 2—SCOPE OF ACT

This act applies to fire, marine, fire and marine and inland marine insurance, and all other forms of motor vehicle insurance on risks located in this state.

Inland marine insurance shall be deemed to include all insurance now or hereafter defined by statute, by ruling of the (commissioner) or by lawful custom as inland marine insurance. This act shall not apply

(a) to reinsurance;  
(b) to insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine insurance;  
(c) to insurance of hulls of aircraft, including accessories and equipment, and insurance against liability for damage to property or injury to persons arising out of the ownership, maintenance or use of aircraft.

If any kind of insurance or type of coverage subject to this act, is also subject to regulation by another rate regulatory act of this state, an insurer in its filing may designate which rate regulatory law shall be applicable to such kind of insurance or type of coverage.

### SECTION 3—RATE MAKING

Rates shall be made in accordance with the following provisions:

(a) Manual, minimum, class rates, rating schedules or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated.

(b) Rates shall be reasonable, adequate and not unfairly discriminatory.

(c) Consideration shall be given to past and prospective loss experience both within and outside the state, including the conflagration and catastrophe hazards, to all other relevant factors within and outside the state, to the loss

trend, to a reasonable underwriting profit, and in the case of participating insurers to dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers; and in the case of fire insurance rates other than motor vehicles consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent five year period for which such experience is available.

...

(d) Every authorized insurer shall file on call by the (commissioner) but not more frequently than once each year with such agency or agencies as the (commissioner) may approve, a statistical report showing its underwriting experience by classes in form approved by the (commissioner). No insurer shall be required to record or report its experience on a classification plan that is inconsistent with the rating plan filed and used by it. The compilations of such reports by such agency or agencies shall be made available subject to reasonable rules promulgated by the (commissioner) to insurers and rating organizations.

### SECTION 4—RATE FILINGS; USE OF RATES

Rates may be used when promulgated in accordance with the following provisions:

(a) Every authorized insurer shall file with the (commissioner), except as to classes of inland marine insurance for which class rates or rating plans are not customarily fixed by rating bureaus, every manual, minimum class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it proposes to use and such other information concerning rates made or used by it as may reasonably be required. Every such filing shall indicate the character and extent of coverage contemplated, and shall state the effective date thereof. A filing shall be open to public inspection after the filing becomes effective. Where specific inland marine rates on risks specially rated are made by a rating organization such rates shall also be filed.

...

(b) If the (commissioner) in his discretion shall determine that a filing is impractical or unnecessary as to a kind of insurance, or class of risk, or a part or combination thereof he may enter a written order suspending the requirement of filing as to such kind of insurance, class of risk, or part or combination thereof until otherwise ordered by him and such order shall be made known to insurers writing such insurance. The (commissioner) may make such examination as he may deem advisable to ascertain whether any rates not required to be filed meet the standards set forth in section 3 (b) of this act.

(c) An insurer may satisfy its obligation to make filings by becoming a member or a subscriber to a rating organization or organizations, and by authorizing the (commissioner) to receive on the insurer's behalf the filings or clearly defined portions thereof of the rating organization or organizations; provided, that nothing contained in this act shall

(CONTINUED ON PAGE 14)

## Event of 1945 for Loss Men Is Overlapping Pact

Main Interest Centers  
on Principle VII  
of Agreement

Event of 1945 for fire and marine adjusters came in the closing days of the year in the form of the National Board-I.M.U.A. pact. To adjusters in both the fire and marine field it means an end to the headaches that have become so recurrent since the 10% off premises coverage was introduced in the household contents policy as to be virtually constant. In a sense it may be looked upon as a gift to returning war veterans because it means that these men will now never know at first hand what their orders got themselves into and what they suffered.

For the most part the lengthy agreement, which was published in full text last week, represents a codification of established and recognized procedure and the capital feature is found in principle VII which provides that insurance (other than legal liability insurance) effected by a bailee of customers' goods shall be primary.

### Preserves Marine Market

Although this represents a triumph for the fire insurance element, it does not take away from the marine people any material benefit that they enjoyed prior to the time that the 10% floater coverage was added to the household contents policy. Also, it is believed, it has a plus value for the marine insurers from a long range standpoint in that the danger is now eliminated that bailees might be tempted to reduce the amount of their bailee's customer cover on the theory that many if not most of their customers would be able to collect from their own insurance companies.

The great trouble started when the fire companies, in revising the 10% off premises benefit, emphasized that this was primary insurance. The ink was no more than dry on this new form when an epidemic of fires occurred throughout the country in laundries and dry cleaning establishments and in no time it is estimated that there were at least 50,000 customers involved in such losses.

Many alert agents who had just been educated on the virtues of the 10% feature of the new household contents form, searched out their customers that had belongings in these establishments and volunteered to take care of their claims under the household contents form.

Also the adjusters on the bailee customer line, scoured the situation to get information about individual insurance that the customers might possess and urged them to make claim under their household contents policies. These situations created consternation in the loss departments, endless confusion arose, conflicting opinions were expressed, individual companies were taking contradictory action, payment of losses was held up and tempers were short.

Leaders in the industry realized that  
(CONTINUED ON LAST PAGE)

## U. S. Chamber 1946 Parley Dates Set

The annual meeting of the U.S. Chamber of Commerce will be held in Atlantic City April 30-May 2. This will be the first annual meeting since the spring of 1943 when the chamber's members assembled in New York. Since that time, determination of the organization's policies and election of members of the board of directors have been conducted by mail.

## Calif. Files Brief With High Court in Commerce Case

**Contends State Regulation Valid; Defends Code on Licensing of Agents**

WASHINGTON—Tuesday, Jan. 3, is tentatively set for the Supreme court hearing arguments in *Robertson vs. California*.

Answering the brief of F. O. Robertson, agent of First National Benefit of Arizona, the state of California has filed with the U. S. Supreme Court its brief as appellee. Robertson's brief was summarized in last week's issue.

The state's brief contends that the S.E.U.A. decision did not invalidate the state laws regulating the conduct of the business of insurance; that the two sections—1642 and 703 (A)—of the California insurance code requiring agents to be licensed and prohibiting anyone's acting as an agent for an unlicensed company are a valid exercise of the state's police power; that the California statutes involved do not discriminate against interstate commerce; that the provisions of the state insurance code under which First National Benefit is excluded from the state are a valid exercise of the state's police power; and that Congress has shown that its intention always has been and continues to be, until it shall otherwise specifically enact, that the states may regulate and tax the business of insurance.

The brief points out that the constitutionality of insurance regulatory statutes similar to the one involved has been sustained by the Supreme Court over and over again in adjudications extending over many years. As to Robertson's contention that the S.E.U.A. decision invalidated these regulatory laws, the state argues that the court's opinion in that case is a complete answer. "It specifically and emphatically states that its decision has no effect and it carefully reviews and approves the very principles under which such regulatory statutes are valid as appropriate exercises of the police power of the states."

"The Court was cognizant of the fact that attempts might be made to distort its findings into a holding that state regulation of foreign insurance companies doing business within its borders violated the commerce clause of the Constitution, and to forestall such an interpretation it reaffirmed the above principles and declared them applicable to the insurance business."

Regarding section 1642 which requires agents to be licensed the brief says that it applies without discrimination to every agent and "is exactly what it appears to be—a statute designed to safeguard the members of the public from misinformation, fraud and overreaching in effecting insurance—a business long held to be one affected by a public interest and so closely related to the public welfare as to invoke and require meticulous governmental regulation."

Contending that regardless of the scope of the S.E.U.A. decision the validity of such provisions as section 1642 presents no substantial federal question, the brief mentions that in *California vs. Thompson* (1941) 313 U. S. 109, the Supreme Court pointed out that in another California statute "... it is not shown to be other than what on its face it appears to be, a measure to safeguard the members of the public desiring to secure transportation by motor vehicle, who are peculiarly unable to protect themselves from fraud

(CONTINUED ON PAGE 8)

## Royal-Liverpool Promotes Two

J. C. Qualmann has been named brokerage, general cover and special service manager and J. D. Quisenberry has been named general adjuster for the Royal-Liverpool Group. Mr. Qualmann succeeds Walter L. Falk, new assistant U. S. manager, and Mr. Quisenberry succeeds Charles E. Black, also named an assistant U. S. manager.

Mr. Qualman has been superintendent of the general cover department. He entered the business in 1919 with Rollins, Burdick & Hunter in Chicago. He



J. C. QUALMANN

then joined the old Rockwood-Badgerow Company in Chicago. In 1922 he joined the Western Sprinkled Risk Association and three years later joined the Royal-Liverpool Group in the western department. In that capacity, he traveled Ohio and was also state agent in Wisconsin. In July, 1940, he was transferred to Buffalo as state agent. He was appointed superintendent of general cover in New York in August, 1943.

Mr. Quisenberry has been associated with Mr. Black as assistant general adjuster since March, 1944. He went with Royal Liverpool group from the Albany, N. Y., office of Fire Companies' Adjustment Bureau. His early experience was gained in the Texas department of Great American in New York City. He later joined the New York office of the General Adjustment Bureau and subsequently was transferred to the Fire Companies Adjustment Bureau office at White Plains, becoming manager of that office in 1936. In addition to his managerial duties he adjusted hurricane losses in industrial plants in Massachusetts and Texas. Mr. Quisenberry is a native of Arkansas and was educated at the University of Missouri and New York University.

## Palmer Elected V.-P. of Rollins-Burdick-Hunter

Adrian B. Palmer, recently released from the navy as a lieutenant-commander, has been elected a vice-president of Rollins-Burdick-Hunter Co. of Chicago.

Mr. Palmer assumes executive control of the casualty and surety department. He had been with Rollins-Burdick-Hunter for 18 years before entering the service, being assistant manager of the casualty and surety department. He entered the navy in 1942 and served as air combat intelligence officer on the Corregidor.

E. W. Alstaetter, local agent in Sandusky, O., since 1911, announces his son, Maj. Fred L. Alstaetter, has become associated with him.

## Call Hearing on Ky. Rate Legislation

Commissioner Wilson of Kentucky has invited to attend meetings at Frankfort Jan 3-4, insurance organization representatives and others interested in fire and casualty rate legislation. The Kentucky legislature goes into session Jan. 8 and Mr. Wilson feels that it is necessary to enact rating laws in his state at this time because the legislature is not due to go into regular session again until 1948, which is beyond the time that the moratorium on the federal anti-trust laws expires.

Mr. Wilson proposes to devote the meeting on Jan. 3 to discussion of the casualty bill and on Jan. 4 to fire insurance rating legislation.

A casualty bill has been drawn by an attorney representing the interests of local agents and this is being circulated.

Rating legislation is also on the agenda for Mississippi whose legislature meets biennially in the even years. That legislature also goes into session Jan. 8.

It is reported that Commissioner White feels that the existing fire insurance rating law is satisfactory and constitutes regulation within the meaning of public law 15. In Mississippi there is a rating bureau set up pursuant to state law and the final authority rests with an insurance commission of which the insurance commissioner is chairman but without a vote.

Ex-Governor White of Mississippi, who is now a powerful member of the lower house of the state legislature, it is reported, is taking quite an interest in insurance rate legislation and is determined to have a new law. It is said that he harbors a grievance based on some experience that he has had in the past and that he charges that the insurance commission is merely a rubber stamp for the rating bureau. Quite a battle may develop over fire insurance rating legislation.

It is reported that ex-Governor White favors the Louisiana rating setup.

Commissioner White, it is reported, is convinced of the necessity of enacting a casualty rating law since there is no state regulation of casualty rates at present.

## PREPARE VIRGINIA BILLS

RICHMOND—The Virginia department is having bills put into shape for presentation to the general assembly this month with a view of bringing the state rating laws in conformity with public law 15. Aside from this, Commissioner Bowles does not anticipate that his department will be sponsoring very much legislation at the 1946 session.

## Spencer and Cutler Enter Public Relations Field

Charles D. Spencer, news editor of THE NATIONAL UNDERWRITER and business manager of the "Accident & Health Review," and Albert S. Cutler, associate manager of THE NATIONAL UNDERWRITER's sales activities have resigned to form Charles D. Spencer & Associates, specializing in insurance advertising, research and sales promotion, with offices at 222 West Adams street, Chicago.

Mr. Spencer started in the advertising service department 19 years ago, after advertising agency experience. He graduated from University of Michigan in 1926. In 1928 he was transferred to the editorial department, subsequently being promoted to associate editor and then news editor. He has also been associate editor of the "Casualty Insurer" and "Industrial Salesman."

In 1935 Mr. Spencer became business manager of the "Accident & Health Review" and helped promote its Survey Edition. Mr. Spencer developed the Hoodo Day drives in the accident and health field and handled the sales promotional material for Accident & Health

## American's Charter to Enable Omnibus Writing

**Stockholders Vote Jan. 14 on Casualty Lines Proposed**

Stockholders of American, at a special meeting Jan. 14, will vote on a resolution to amend the charter to give maximum legal power to do all kinds of insurance business other than life.



Paul B. Sommers

President Paul B. Sommers in a message to stockholders, points out that New Jersey has amended its laws to permit a fire insurance company and a casualty insurer to write all the kinds of insurance heretofore written by either of them. Other states, he observed, have had such a law for several years. Successfully to compete for good business, he declared, it may soon become desirable for American to write some or all the casualty business lines now written by the affiliated Bankers Indemnity.

There is another resolution to be voted upon amending the by-laws to provide for indemnification of officers and directors under certain circumstances.

Still another resolution amends the charter to eliminate provision fixing qualification of directors in respect to residence, etc. In this connection Mr. Sommers states that it may become desirable to increase the number of directors who would serve on the boards of the present and possible future subsidiary companies.

Then there is a resolution to fix the first Monday in May instead of the first Monday in February for the annual election of directors. Mr. Sommers states it is not possible to receive and record the full reports of operations in the marine field and in foreign countries in time to make an accounting to stockholders at the annual meeting in February. With the annual meeting in May, the management can make a complete report to stockholders.

## E. M. Saunders to Washington

WASHINGTON—E. M. Saunders, chief of the insurance section rural electrification administration, has returned here from St. Louis as part of that agency's planned moving back to Washington, which is due to be completed by mid-January.

Mr. Saunders was formerly connected with the Navy Department bureau of yards and docks. In REA he handles matters pertaining to insurance in connection with rural electric cooperatives.

Insurance Week and National Fraternal Life Insurance Week. He has been the editor of "Insurance Buyers' Digest," and has prepared other sales material. For six years he has contributed the accident and health insurance article in the Encyclopaedia Britannica's "Book of the Year."

Mr. Cutler joined THE NATIONAL UNDERWRITER 20 years ago as office boy and won advancement to a salesman. He has become particularly well posted on life insurance matters and has assisted Vice-president Otto E. Schwartz in Chicago. From time to time he has made selling trips in various parts of the country.

## Value to Ins at Pre

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# Values Baffling to Insurance Men at Present Time

## Scarcity of Expert Craftsmen and Material Causes Prices to Soar

Insurance producers have realized for some time the necessity of arriving at approximate values in insuring property, especially buildings of all kinds. They have felt a personal responsibility in this respect because unless sufficient insurance was carried an assured might become a contributor under the coinsurance factor and he would blame the agent for not seeing to it that he carried sufficient insurance to dodge the action of the coinsurance clause. Therefore, agents have resorted to different methods of getting values.

Some of them have been able to arrive at approximate figures through tables and rules that are regarded as standard. Others have gone to their insurance companies and found engineers who could appraise property. Others have gone to independent adjusters and secured figures. Large agencies have had engineers and appraisers of their own. In some of the more complicated and highly valued properties, appraisal companies have been recommended.

Insurance producers have felt comparatively comfortable in these various processes, realizing that if they have been followed in a conservative and natural way, the figures attained would be followed by adjusters in case of a loss. At least they would be a guide and if fundamental principles were used in arriving at values, the adjusters realized that depreciation was taken into consideration and current values were used.

### Prices Are Amazing

Now, however, agents are confronted with another question as to values even when the coinsurance requirements are all met. It is found frequently that the net amount gotten by the assured is not sufficient to replace the burned property. Values have been ascending and even the agents themselves have been amazed at some of the prices they have secured. Experienced labor is very difficult to get. Craftsmen of all kinds are not to be found. Different kinds of materials are difficult to locate. This is particularly true with lumber. The lumber industry has been badly hit. Because of lack of experienced lumbermen in the forests the logs are green and have not dried out. In many cases contractors have scoured the country far and wide to get building materials.

Because of the lack of labor and the scarcity of material, the cost of replacement has gone up many degrees. In some cases contractors refuse to bid. Those that do usually limit their bid by stating that no time for completion is guaranteed and that the actual cost will depend on conditions at the time the work is done. This, therefore, includes labor and materials. Local agents, therefore, are endeavoring to secure, if possible, some estimate of replacement costs and to calculate the amount of insurance a man should carry to protect himself properly against loss. Owing to the fluctuating prices and the scarcity of craftsmen and material, it is sometimes almost impossible to reach a figure that will protect the insured entirely.

Probably at no other time has the value situation affected assured as at present. Now a fire loss is a dire calamity. It is a question whether an assured could have his property replaced or re-

# Kansas Fire Policy to Be Interpreted by Agreement

The new fire policy which will go into effect in Kansas Feb. 15 is the 1943 New York form in its essentials, but there are two changes, one in the printed form and one an agreed interpretation. The time to bring suit against the company is extended to five years, instead of 12 months, as the model policy provides, and the companies will agree by letter filed with the Kansas department to construe the cancellation clause as requiring that unearned premium be tendered with a cancellation notice.

Kansas thus becomes the last state to abandon either of the two older New York policies and they will be completely obsolete by next month. Kansas formerly used the original 1886 New York form. Illinois, the last state in which the 1918 New York policy was used, changed to the 1943 form this week.

Since no fire policy is prescribed by statute in Kansas, it had been expected that the 1943 policy would go into use there in 1944, when most "open" states adopted it. Commissioner Hobbs, however, refused to approve it, mainly because of the cancellation provision. Like the 1918 policy, the 1943 form states specifically that unearned premium need not be tendered with notice of cancellation, but shall be payable on demand. The argument went on for over a year, since the companies wished to avoid printing a special edition for Kansas. It was finally compromised by the agreement to file a special interpretation.

The suit limitation was required by Kansas statutes. North Dakota and Nebraska have a similar requirement, so the same edition will be used for the three states.

pairs made because he could not get labor or material. The best, therefore, that an agent can do is to see that he is carrying enough insurance so that as soon as conditions become more normal work could be begun.

The lifting of the famous L-41 of WPB order has had an unbalancing effect in the construction field. It was removed with the idea of giving every element in the construction business a fair chance to bid for materials and proceed to build. However it worked out that commercial and industrial enterprises that had the money on hand, were willing to pay the price and could give the go ahead signal immediately got most of the available materials and labor. This was a blow to the home construction program. For instance it is reported that a race track construction project used up enough lumber to build 2,500 homes.

Some agents that began recommending that assured drop rent insurance when L-41 was lifted are convinced they were acting too hastily.

### COMMISSIONER ALLYN'S WARNING

HARTFORD—Commissioner Allyn of Connecticut has issued a warning to all property owners in the state, calling attention to the substantial increase in the cost of construction and the importance of reviewing the amount of insurance on any property insured under a policy containing a coinsurance clause.

Most buildings in Connecticut, including private dwellings of three apartments or more, said Commissioner Allyn, are insured under policies containing a coinsurance clause, usually the 80% clause. He went on to explain the workings of coinsurance and in view of the very substantial increase in construction costs and repairs, he urged property owners to check their property insurance, not only for compliance with a coinsurance clause, where used, but to ascertain the protection available to meet increased costs and to cover the owner's equity above mortgage requirements.

# D. C. Rate Cut Order Is Not Postponed But Modification Is Expected

WASHINGTON—District of Columbia officials say that fire and extended coverage rate reductions ordered effective Jan. 1, were not postponed or suspended on the basis of recent and pending hearings.

The hearings were granted at request of the companies, it was stated, which wanted opportunity to demonstrate the reductions were not legally arrived at. They were granted by Superintendent Jordan with the understanding that the reductions would stand unless shown to be in error, it was pointed out.

Meanwhile, unless something develops to change the situation, officials said the reductions became effective not only as to policies written beginning New Year's Day, but also as to unexpired policies, in which the effective rates are required to be reduced as of Jan. 1, 1946, under the Jordan order.

Despite official denial that the rate reductions have been suspended, postponed or held in abeyance pending completion of hearings, industry representatives assert that the old rates remain in effect beginning with the new year, at least temporarily. If the reductions are upheld, finally, it is pointed out, rates can be cut on a retroactive basis to Jan. 1, and premiums can be refunded.

Insurance representatives express confidence in the outcome of the battle. They say the companies are making good case against the rate reductions. Mr. Jordan is declared to have shown every evidence of wishing to be fair with the companies, and insurance men believe his order will be modified.



A. F. Jordan

# Windstorm Body Told to Revise Certain Practices

## N. Y. Department Releases Report on Eastern Tornado Association

NEW YORK—Several recommendations for changes in practice are recommended in the New York department's examination report on the Eastern Tornado Insurance Association. Examiner Harold Rothbart of the rating division made the examination. His recommendations are:

1. A general review should be made with respect to so-called superior risks. The rule adopted in 1942 by the association provides that whenever the construction of a building or its location is superior to that contemplated by class rate, by applying to the Eastern Tornado Insurance Association and setting forth the details of such construction and location, reductions may be authorized as the conditions may warrant, not, however, to exceed 50%.

### Schedule of Credits

A schedule of credits to go with the rule provides 5% for structural frame bracing, 10% for roof anchorage, 25% for substantial walls offering strong lateral resistance to wind stresses, and from 5% to 25% for buildings being maintained in good repair, having a minimum of overhanging eaves, cornices, roof and canopy structures.

"In the application of this rule it is apparent that much is left to judgment and it is also to be noted that even though the necessary qualifications are present it is only upon request that this plan is applied," the report points out. "There appears to be no clear line of demarcation when this superior risk plan applies as against when the superior risk plan under form 3B applies."

Form 3B is a special extended coverage endorsement attached to a fire policy. To be designated as superior and hence eligible for this endorsement risks must be approved by the association following application and must qualify under the following rule: "Buildings (not contents) of fire resistive construction regardless of occupancy and buildings and/or contents of single occupancy risks with main buildings of superior construction and in good repair, with superior management and maintenance and approved watch service."

### Favors Single Plan

After commenting on the lack of a clear line of demarcation between the applicability of the above rule or the one mentioned previously, Mr. Rothbart states that in the interest of not discriminating unfairly as between risks, "it is the opinion of your examiner that one over-all superior risk plan be devised to apply to all risks that qualify, with appropriate credits and based on experience."

2. Separate superior risk windstorm experience under extended coverage endorsement 3B should be called for and compiled so that statistics will be available for rating purposes. "As superior risk forms and rates (under E. C. No. 3B) are issued on a competitive basis no supporting statistical experience is called for by the association. I am informed that the experience is reported as part of the fire policy. This procedure should be discontinued as it distorts the fire statistics."

3. The classification schedule should

(CONTINUED ON PAGE 10)

# Van Zile Mid-West Hail Manager for Fireman's Fund

Fireman's Fund is opening a full fledged hail underwriting organization in its western department. The plans contemplate operations out of Chicago covering the mid-western area.

Loren G. Van Zile has been appointed superintendent of the newly established hail department and will have supervision over all matters pertaining to this class.

Mr. Van Zile is well-known in hail insurance circles. He attended Kansas State College and later operated a commercial apple orchard in northwestern Arkansas until 1925, when he entered the hail insurance field as an adjuster. He has had a number of years' experience with the Rain & Hail Bureau, beginning as an adjuster and then as a special agent. He has operated branch offices in Wichita and in Spokane.

In 1937 he was transferred to the Chicago office territory and has had supervision over all the hail business in seven of the Chicago states.

# Maj. Hunter Engineer of Commercial Standard

Ed B. Hunter has been discharged from the army and has rejoined Commercial Standard as safety engineer in the accident prevention department at the home office. He enlisted early in 1941, attended officers candidate school at Fort Warren, Wyo., and was commissioned a second lieutenant in 1942. He was stationed in various states and at the time of his discharge held the rank of major in the ordnance department.

## Aetna Fire Changes in Western Dept. and Field

The western department of Aetna Fire announces a number of changes.

Ralph O. Hudler is promoted to state agent in Indiana succeeding E. R. Shoemaker, who has been transferred to the reserve force. Mr. Hudler is well known in Indiana, having served as special agent since 1925. Mr. Shoemaker started in Indiana in 1917 where he traveled until 1919, was then transferred to Illinois but returned to Indiana as state agent in 1923.

W. C. James recently discharged from the army after service in the European theater, is assigned to Indiana as special agent. Mr. James started in the western department office and served as special agent in Ohio before entering service.

F. W. Mountain who also saw service in the European theater will resume his post as special agent in Indiana.

C. H. Norris, farm special agent in Indiana since 1925, is transferred to the reserve force, and is succeeded by W. G. Henderson. Mr. Henderson has been with the farm department in the western department for some time, prior to which he operated a local agency at Wanatah, Ind.

R. A. Wieber, who resumed his post as special agent in Indiana last October after serving in the navy, is now transferred to Wisconsin where he will be associated with Paul E. Rudd, state agent. J. T. Gorman, who prior to joining the army conducted a successful local agency at Lebanon, O., is appointed special agent in Iowa where he will be associated with A. E. Holt, state agent.

R. A. Knief, chief accountant, who has been transferred to the reserve force, is succeeded by his assistant, A. G. Carlson. Mr. Carlson started in the western department in 1918.

H. A. Gunnerod, agency supervisor in the marine department, is promoted to superintendent.

## Staff Honors Shallcross on Eve of His Retirement

Cecil F. Shallcross, United States manager and president of the North British group, Dec. 28, on the eve of his retirement from that post which he has filled ably for over 26 years, was honored by his executive staff and department heads at a farewell luncheon. He was presented a handsome bound set of Encyclopedia Britannica by Assistant Manager John L. Mylod in behalf of the staff.

Mr. Shallcross in response said he would have much more leisure time for reading and would enjoy the volumes. He thanked his associates and the staff for their loyalty and cooperation during the more than quarter century of his managership, and expressed regret he would see them less often.

He also received from the Employees' Club a bouquet of flowers.

Assistant Managers George H. Duxbury and R. P. Stockham spoke briefly of their long and pleasant association with Mr. Shallcross and many others expressed regret at severance of daily contact with him.

Mr. Shallcross will continue with the North British group as chairman of the U.S. board of directors of North British & Mercantile, and as chairman of the four associated companies, Pennsylvania Fire, Commonwealth, Mercantile and Homeland.

## T. E. Nation Now Manager

T. E. Nation, assistant manager of Travelers Fire at Indianapolis, has been promoted to manager there. He recently was transferred from Chicago, where he had been assistant manager, to succeed William R. Caskey, Indianapolis manager, who resigned Dec. 31.

## Connecticut Building Code Reform Is Agitated in Wake of Hartford Fire

HARTFORD—An epidemic of belated proposals for complete overhauling of Connecticut's building code, similar to that which followed the circus fire here in July, 1944, is now being made in the wake of the disastrous conflagration that took 19 lives among the aged inmates of the Niles Street Hospital Christmas Eve.

Sixteen persons died in the fire, and three others have succumbed subsequently, while four others remain on the critical list. Included among those still fighting for their lives are William J. Langer, president of Northeastern Ins. Co., and his wife, who were the only two visitors in the hospital at the time the catastrophe occurred.

### Christmas Eve Tour

Mr. and Mrs. Langer were making a Christmas eve tour of the local hospitals visiting several of their friends, and had just arrived at the convalescent home to visit Theodore Piper, 83, with whom Mr. Langer once lived. Trapped in his third floor room when flames shot up the stairway, Mrs. Langer jumped from the window into a snowbank, and her husband collapsed before he could follow her. Mrs. Langer suffered several arm, leg and rib fractures while Mr. Langer suffered critical burns and shock. Mrs. Langer's brother, arriving to spend the holidays with them, waited outside their home until the early morning for them to come home before neighbors told him what had happened.

It has been determined that the fire started when a spark from a Christmas tree light plug ignited old cotton spread underneath the tree to simulate snow. The tree was tinder dry.

According to the testimony, the 31 chronically ill patients in the hospital, a large number of them so-called "terminal cases," were in bed when one of the two trained attendants on duty disconnected the tree lights for the night. A tragic combination of circumstances prevented quick action in quenching the resulting blaze. One attendant tried in vain to call the fire department, but the fire had already burned through the telephone wires. The other attendant seized a fire extinguisher but was unable to operate it. A next door neighbor finally turned in an alarm, but the delay meant death for most of the patients.

### Every Precaution Taken

One of the ironical aspects of the tragedy was that apparently every possible precaution against fire had been taken. Over every telephone in the home were 11 by 14 inch cards printed in red and black and giving detailed instructions to all employees how to remove patients in the event of fire. Both fire extinguishers were in working order, according to fire officials, the one the attendant seized failing to work only because in her excitement she failed to invert it completely.

Moreover, the institution met the minimum requirements of the Hartford building code, which does not require fire escapes on such structures as convalescent homes, but only front and rear exits. A complete inspection had been made Dec. 7 by the Hartford fire marshal, during which he conducted a virtual fire drill. He examined the fire extinguishers to make sure they were working, checked the exits and stairways, instructed the employees how to use the extinguishers, advised them on evacuating the patients and delivered a general talk on fire precautions to be observed during the holiday season—and all in vain!

The building was covered by fire insurance, and the hospital corporation carried some liability insurance, though the amount has not yet been disclosed.

Underwriters Insurance Co. of Chicago, affiliate of the Warner reciprocals, has been licensed in Ohio.

## Linke Coast Marine Chief for American

American has transferred E. Gordon Linke, superintendent of agencies at the western department in Rockford, to its Pacific Coast department at San Francisco.

Mr. Linke becomes inland marine manager in the Coast department.

Mr. Linke is a graduate of Dartmouth, and for eleven years served Travelers Fire. He joined American in 1937, as western marine manager and in 1944 was elevated to superintendent of agencies.

## Snediker Asst. Manager Western Actuarial Bureau

Harvey O. Snediker has been appointed assistant manager of the Western Actuarial Bureau. Mr. Snediker has been associated with the office since 1935. He was a scholarship student in fire protection engineering at Illinois Institute of Technology, graduating in 1928, and was with the Fire Underwriters Inspection Bureau at Minneapolis before joining the Western Actuarial Bureau.

Mr. Snediker has specialized in the work on uniform forms, underwriting rules and practices for the various states, and use and occupancy and business interruption insurance, being recognized as an authority on these subjects.

### O'Connor Speaks in Toledo

James C. O'Connor, editor of the Fire, Casualty & Surety Bulletins, will discuss "Trends in the Future of the Insurance Business" at a dinner meeting of the Lucas County Insurance Board in Toledo, Jan. 8. Other insurance agents, attorneys and adjusters will be guests.

### Shepherd Returns to Ark. Post

Lt. Howard T. Shepherd, who joined the army air forces, administrative, as a private and volunteer in 1942, has received his discharge and rejoined the Arkansas General Agency of Shepherd & Co., in which he is a partner. His father is Joshua K. Shepherd of Shepherd & Co.

### Atwood to Fairfield & Ellis

Lt. Comm. Raymond L. Atwood, recently retired after three years in the navy, who was formerly manager of the automobile department of Fireman's Fund in Boston and later held a similar post with O'Brien, Russell & Co., has joined Fairfield & Ellis, Boston general agency, in its automobile department. He served as a naval aviation pilot in the first war, and also was assigned to naval aviation in the last war, being on anti-submarine and convoy duty in the Atlantic.

W. H. Boutell, who has spent 55 years in the insurance business in Boston, since 1913 as state agent for Aetna Fire, is retiring at the age of 81. He is in fine health and is active. Mr. Boutell, dean of Aetna's field forces, will maintain a desk in the Boston office and expects to spend some time there. He began his insurance career as a boy with Equitable F. & M., becoming general agent at Providence, R. I. He went to San Francisco to take care of the company's interests at the time of the great fire. In 1911, when Equitable was acquired by Phoenix, he was made special agent of the latter in Connecticut, representing Equitable in Rhode Island, Massachusetts and Connecticut as general agent. He became special agent for Aetna in 1913. Mr. Boutell is the oldest member of the New England Insurance Exchange where he has served as chairman of the executive committee. He was given a luncheon by Elmer A. Lord & Co.

## Insurance Experience on Corn Crop in Iowa Is Analyzed

DES MOINES, IA.—The government's experimental corn crop insurance in two Iowa counties resulted in \$37,000 losses while premiums amounted to \$58,500.

The three-year experimental insurance program on corn is being tried out in 15 counties in the nation, two of which are in Iowa. Two types of coverage were written in Iowa.

In Iowa 2,558 farms insured 119,000 acres of corn. Losses were suffered on 160 farms, 120 in Marion and 40 in Buena Vista counties with the losses per farm ranging from a low of \$40 to a high of \$400. Marion county farmers will collect about \$30,000 and Buena Vista \$7,000.

The investment type of coverage was written in Buena Vista county with the farmer guaranteed a return of \$20 per acre for an insurance cost of 30 cents per acre. The \$20 was supposed to represent about 75% of the farmer's production costs.

In Marion county, the yield type, either 50 or 75% coverage, was offered with the insurance guaranteeing the farmer that percentage of the average yield on his particular farm.

The premium on the yield type was one bushel of corn per acre for 50% and three bushels for 75% coverage, or the equivalent in cash. All farmers paid premiums in cash.

Federal officials reported that the \$20 per acre guarantee on the investment type was too low and that the coverage should be increased to \$25.

Losses paid this year were quite heavy due to floods, excessive rain and a cold-wet growing season.

### Urge Rating Fire Prevention Work

Fire prevention work is one of the seven subjects listed as a "civic responsibility" in a booklet issued by the Rotary Club of Dallas, and sent to all Rotary Clubs of the United States. The booklet describes the civic responsibility projects of the elementary schools of Dallas and suggests that Rotary Clubs submit and recommend these projects to their respective school authorities.

In the Dallas schools, four specific activities of fire prevention work are promoted: (1) Cooperation with Dallas Civitan Club in correction of fire hazards through Junior Fire Prevention Council; (2) use of posters, plays, songs, etc., in preventing fires and correcting fire hazards at home, at school, or in the neighborhood; (3) preparing of assembly programs; (4) observance of Fire Prevention Week.

### Two Join S. F. Law Firm

SAN FRANCISCO—Neil Cunningham, former deputy attorney-general who handled the insurance department's legal work before going into private practice, and William A. White, who resigned a few months ago as vice-president and general counsel of Pacific National Fire, have joined Long & Levit, San Francisco law firm.

Percy V. Long, senior member of the firm, was formerly assistant general counsel for the National Board. The firm will be known as Long, Levit, Cunningham & White. Offices will be established in Los Angeles with William H. Levit in charge.

### N. W. F. & M. Men Advanced

Directors of Northwestern Fire & Marine have elected Frederic D. Weld secretary and director; advanced L. A. Lundquist from assistant treasurer to treasurer and elected O. B. Jacobs an assistant secretary. Joseph F. Ringland, president of Northwestern National Bank, and Harold B. Finch, president of the Nash-Finch Co., were elected directors to fill vacancies.

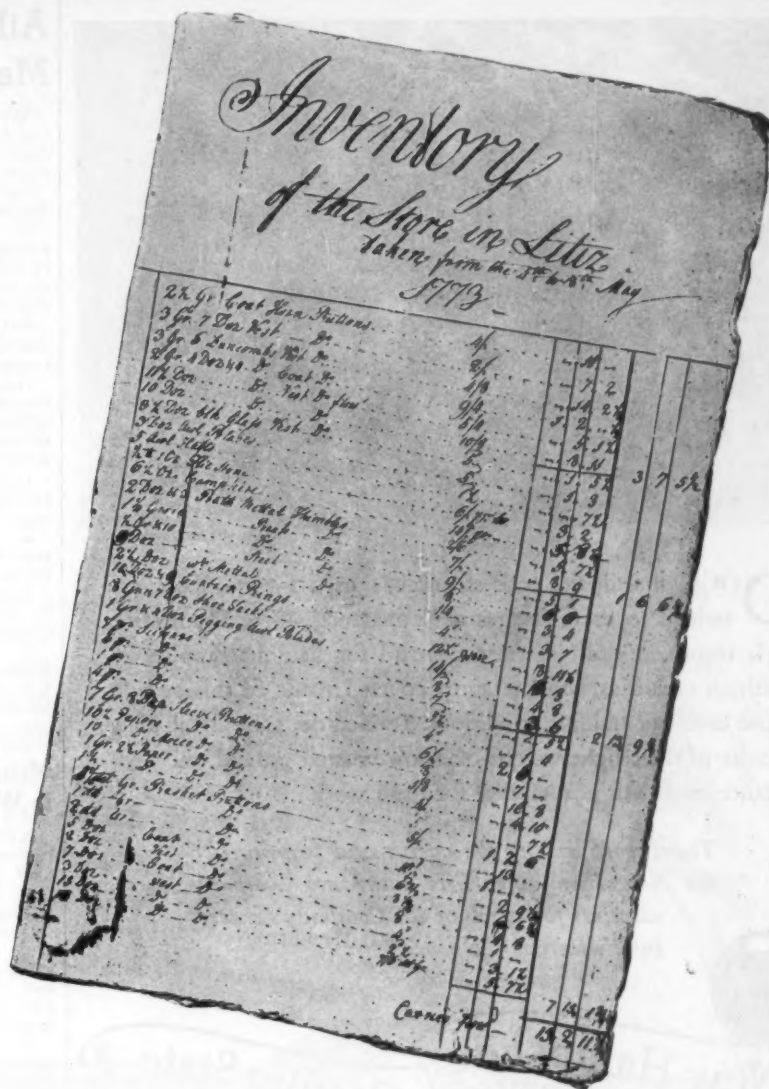
Don Jackson, returned veteran, has bought the McGee agency, Fairfax, Okla.





# Stock In Trade

LL



**I**N 1773 a clerk recorded the inventory of a store in Litiz, Pennsylvania. To him it was but a list of merchandise. While struggling with his task, only a miracle could have told him that it would one day become a document full of meaning to posterity for it not only lists many of the common goods purchased by our ancestors just prior to the Revolutionary War, but embodies the very essence of American strength.

Between the lines of this old inventory we can read words like honesty, industriousness, efficiency and integrity—the stone and mortar out of which America's business greatness was built.

You don't have to reach to the upper shelves of your imagination to find the price-

less factors which are indispensable to successful public service. These factors are made up of hard work, integrity, soundness and the genuine will to perform a national duty. Since 1853 The Home Insurance Company has been dedicated to these things. Taking frequent inventory of its stock in trade, with sharp appraisal for the needs of its producers and clients, has enabled The Home to aim high into the future with a firm foot on the ground.

☆ **THE HOME** ☆  
*Insurance Company*  
**NEW YORK**

**FIRE      AUTOMOBILE      MARINE**



Photo by Philip Goodreen, N. Y.

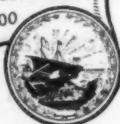
**D**OGS, among the earliest animals used for transport, are trained to draw sledges at Wonalancet, New Hampshire. Such teams are still in great demand for hauling supplies in northern countries, and the snow covered roads of this section afford excellent training conditions. Trained dogs are invaluable, because of their light weight on snow crusted ground, their endurance, and their adaptability for team work.

*Team work among the agents and personnel of the New Hampshire Fire Insurance Company accounts for much of the Company's success in "delivering the goods."*



**New Hampshire**  
FIRE INSURANCE COMPANY  
Manchester, N.H. Incorporated 1869  
CAPITAL \$3,000,000

**Granite State**  
FIRE INSURANCE COMPANY  
Portsmouth, N.H. Incorporated 1885  
CAPITAL \$1,000,000



**ONE OF THE  
TRAVELERS  
COMPANIES**



**THE CHARTER OAK  
FIRE INSURANCE COMPANY**

HARTFORD · CONNECTICUT

## Atlantic Mutual Men Advanced

W. Irving Plitt, manager at Boston for Atlantic Mutual, is named vice-president at the home office, in charge of ocean marine.

Gardner W. Brown, manager at New Haven, succeeds Mr. Plitt at Boston.

F. George Forrow will become vice president in charge of claim adjusting to succeed Percy G. Craig, retiring under the pension plan. Julian Story is the new claims manager.

Seth C. Hetherington, present field manager, will become vice-president in charge of field production.

Norman Christopher becomes hull secretary in charge of ocean hull underwriting. Roy Thurnall is now assistant secretary in charge of ocean cargo underwriting.

Carlisle H. Boger becomes assistant secretary in charge of yacht underwriting.

R. Kenneth Bell is named assistant secretary in charge of inland marine underwriting in the metropolitan area.

John C. Schuler, manager at Dallas, is appointed assistant secretary in charge of special field production work.

J. Harold Poole, former assistant treasurer, becomes treasurer, and Miss Elizabeth Cullen, assistant treasurer. Miss Cullen is the first woman to become an officer of Atlantic Mutual.

## Marshall Retires, Bowden Is Willcox President

NEW YORK—Raymond T. Marshall has retired from active service as president and director of Albert Willcox & Co. Mr. Marshall has spent his entire business life in the insurance field. He started with Albert Willcox & Co. in 1905, continued with the insurance brokerage firm of Willcox, Peck & Hughes and when that company was merged with Johnson & Higgins in 1924, he became a director of the latter company.

Mr. Marshall served as president of Albert Willcox & Co. for the past 20 years.

Mr. Bowden who has served with the organization since 1932, will succeed Mr. Marshall to the presidency.

Mr. Marshall has also retired from the directorate of Johnson & Higgins and Willcox, Peck & Hughes.

## A. J. Meyer at 25 Year Mark with Automobile

Anton J. Meyer, one of the mainstays in the Illinois field, is receiving congratulations upon his 25th anniversary as Illinois state agent of Automobile. Altogether he has been an Illinois field man since 1911, having previously traveled for Providence Washington. He served as most loyal gander of the Blue Goose and has been the treasury watch dog as keeper for the past 15 years. He was secretary for a long period of Illinois State Fire Prevention Association and was a member of the governing committee of the Illinois Fire Underwriters Association.

## McGee Now U. S. Manager of Indemnity Marine

Indemnity Marine has appointed Wm. H. McGee & Co. as U. S. manager. McGee & Co. recently became U. S. marine managers for Royal Exchange. It has long had Camden Fire but as of Jan. 1 it went to a general agency basis, nationwide for ocean marine for Camden which is expanding its ocean marine operations.

## Louisville Agency in 92nd Year

The Liberty Insurance Agency of Louisville, headed by Adolph Reutlinger as president, is starting its 92nd year in insurance. It was originally formed as the insurance running mate of the old

German Insurance Bank, and was then known as German Insurance Co. The two companies changed their names to "Liberty" around the time of the first world war. Later the company was retired and its business taken over by the agency.

## Smith Heads Tampa Exchange

Stockton H. Smith, vice-president of Carl B. Smith & Sons, has been elected president of the Tampa (Fla.) Insurance Exchange. John W. Moreland, retiring president, becomes vice-president; J. H. Mason, treasurer, and Trenton C. Collins, executive secretary.

## Sweet Conn. Special Agent

Richard L. Sweet, Jr., has been appointed special agent of Travelers Fire assigned to the Hartford territory. He was graduated from Brown university and in 1936 joined Travelers Fire in the home office. Since April of this year he has served as acting special agent at Hartford.

## T. G. Linnell, Jr., Returns

Thomas G. Linnell, Jr., has been discharged after 2½ years service from the army air corps.

He served with a troop carrier squadron from New Guinea, through the East Indies, Philippine Islands, Okinawa and Japan. His service ribbons have six battle stars. He is at present working in the office of his father, Minnesota general agent, but will complete his college work before joining the general agency permanently.

## Overassessments Are Determined

WASHINGTON — Overassessments of income tax have been determined by Internal Revenue Commissioner Numan in favor of Continental and Mutual Assurance of Philadelphia. Overassessments found on Continental are \$297.23 for 1940 and \$30,102.61 for 1941. The first item is abated, and of the second item, \$10,645.75 is credited and \$10,457.20 refunded.

All of the \$32,079.75 overassessment found for Mutual Assurance, which is for 1942, is refunded.

## U. S. Chamber Committees Meet

The legislative situation, taxation and other problems with relation to insurance will be considered at a meeting of the subcommittee on chamber policy of the U. S. Chamber of Commerce insurance committee at the Waldorf-Astoria Hotel, New York, Jan. 11. The effect of the Supreme Court decision in the S.E.U.A. case will be reviewed to determine whether chamber policy should be changed.

Carl N. Jacobs, president, Hardware Mutual Casualty, is subcommittee chairman, other members being Byron K. Elliott, John Hancock; S. Bruce Black, Liberty Mutual; John A. North, Phoenix of Hartford.

Jan. 10, also at the Waldorf, the insurance committee accident and health section headed by Rollin M. Clark, Continental Casualty, will meet.

The committee on arrangements for the Western Hemispheric Insurance Conference will meet Jan. 7 at the Waldorf.

## Johnson & Johnson Additions

Lt. Eugene G. Johnson, Jr., of the navy has returned to, and Lt. Col. Scott W. Hall has joined the Johnson & Johnson general agency of Charleston, S. C.

## Arson Talks in Toledo

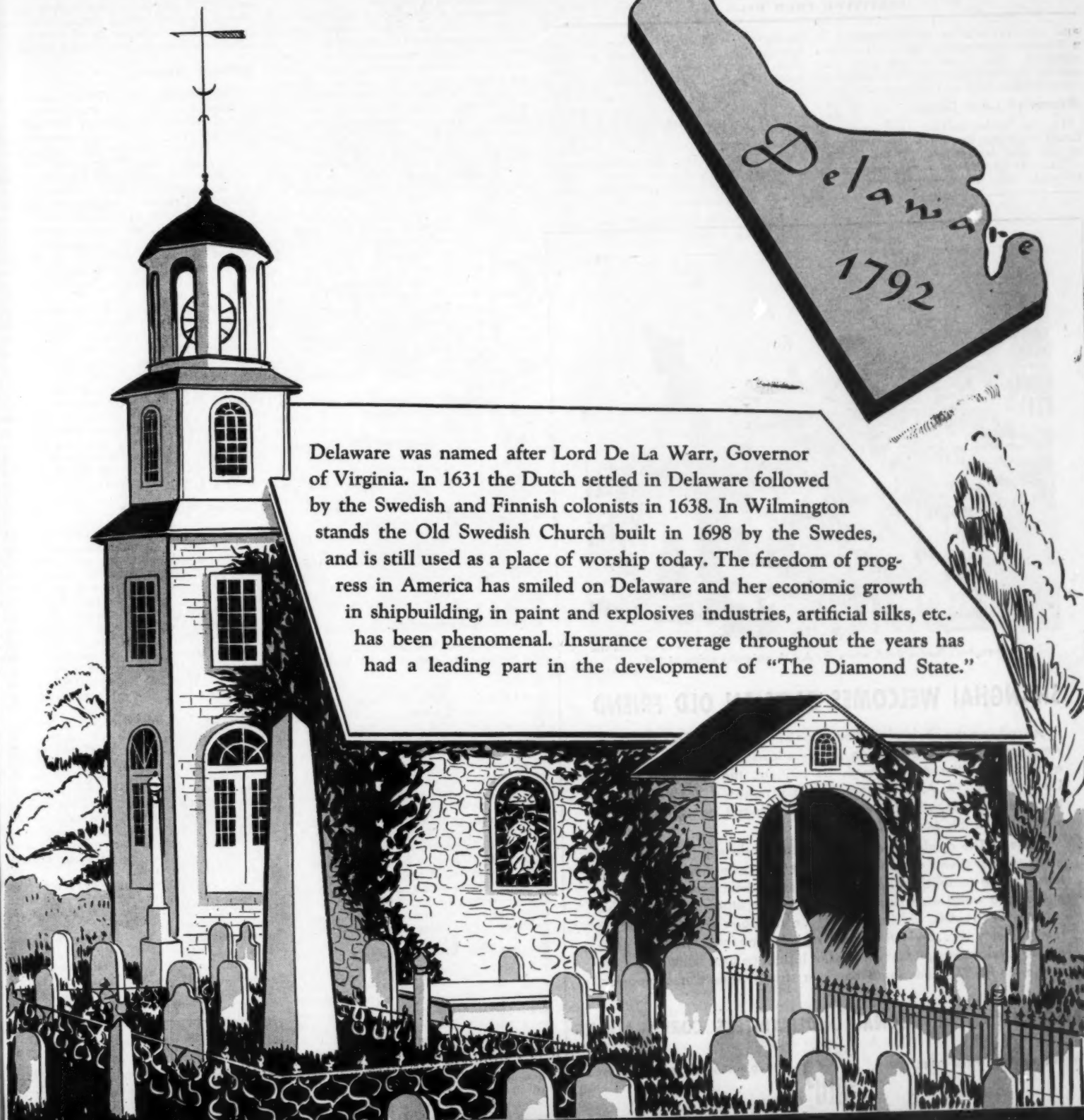
The Toledo (O.) Association of Insurance Agents will hear Dr. Richard Steinmetz, chief investigator for Mill Mutuals, discuss "Modus Operandi and Classification of Fire Setters," and J. P. Rockenfield, Automobile Protective & Information Bureau, talk on arson as it pertains to automobiles, with films, at its Jan. 4 meeting.



January 3, 1946



Delaware was named after Lord De La Warr, Governor of Virginia. In 1631 the Dutch settled in Delaware followed by the Swedish and Finnish colonists in 1638. In Wilmington stands the Old Swedish Church built in 1698 by the Swedes, and is still used as a place of worship today. The freedom of progress in America has smiled on Delaware and her economic growth in shipbuilding, in paint and explosives industries, artificial silks, etc. has been phenomenal. Insurance coverage throughout the years has had a leading part in the development of "The Diamond State."



**CRUM & FORSTER**

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.



UNITED STATES FIRE INSURANCE CO.	Organized 1824	RICHMOND INSURANCE CO.	Organized 1836
THE NORTH RIVER INSURANCE CO.	Organized 1822	WESTERN ASSURANCE CO., U. S. Branch.	Incorporated 1851
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	BRITISH AMERICA ASSURANCE CO., U. S. Branch.	Incorporated 1833
THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh.	Organized 1868	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

## California Files Brief with High Court

(CONTINUED FROM PAGE 2)

and overreaching of those engaged in a business notoriously subject to those abuses." The brief states that this statute is indistinguishable in principle from section 1642 of the insurance code.

### Matters of Local Concern

In the same decision the Supreme Court reviewed the applicable principles of law and declared:

"As this court has often had occasion to point out; the commerce clause, in

conferring on Congress power to regulate commerce, did not wholly withdraw from the states the power to regulate matters of local concern with respect to which Congress has not exercised its power, even though the regulation affects interstate commerce. . . It has been recognized that there are matters of local concern, the regulation of which unavoidably involves some regulation of interstate commerce, but which because of their local character and their number

and diversity may never be adequately dealt with by Congress.

"Because of their local character, also, there is wide scope for local regulation without impairing the uniformity of control of the national commerce in matters of national concern and without materially obstructing the free flow of commerce which were the principal objects sought to be secured by the commerce clause. Notwithstanding the commerce clause, such regulation in the absence of Congressional action, has for the most part, been left to the states by the decisions of this court subject only to other applicable constitutional restraints.

"Where, as here, Congress has not entered the field, a state may pass inspection laws and regulations, applicable to articles of interstate commerce, designed to safeguard the inhabitants of the state from fraud, provided only the regulation neither discriminates against nor substantially obstructs the commerce."

From the same decision the brief quotes a passage in which the court held that regulatory legislation is valid in the absence of specific Congressional legislation:

"Fraudulent or unconscionable conduct of those so engaged which is injurious to their patrons is peculiarly a subject of local concern and the appropriate subject of local regulation. In every practical sense regulation of such conduct is beyond the effective reach of Congressional action. Unless some measure of local control is permissible it must go largely unregulated. In any case, until Congress undertakes its regulation, we can find no adequate basis for saying that the constitution, interpreted as a working instrument of government, has foreclosed regulation, such as the present, by local authority."

### Regulation Appropriate

Emphasizing the similarity between the above case and the one at bar, the brief states:

"The facts in the instant case illustrate the appropriateness of such regulation. Appellant appeared at the home of California citizens in the capacity of an insurance agent or solicitor. Contrary to appellant's statement . . . his activities went far beyond the mere 'filling in of the application.' He 'explained the insurance policies as any insurance man would'; explained the 'benefits of the policy'; received the premium payments in a check made out to his order and cashed that check over his personal endorsement. The O'Leins (the insured) were warranted in assuming that he was qualified to act as an agent in this transaction—competently and honestly. State regulation of such activities clearly is valid under the foregoing decisions."

### Surplus Line Broker

The brief contends that the situation with respect to section 703(a) which prohibits anyone's representing an unlicensed company unless he is licensed as a surplus line broker is in all substantial respects the same as with section 1642. The section is designed to permit California buyers to obtain insurance not ordinarily available from admitted companies but at the same time to protect the insuring public from fly-by-night companies. It is obviously designed to "protect the people of California from having to deal with agents who have not and whose companies have not met the standards the California legislature has set as to solvency, integrity of policy contracts, and related matters directly affecting the public welfare. Maintenance of these standards is clearly within the police power of the state."

In support of its contention that the California statutes do not discriminate against interstate commerce, the brief points out that the licensing requirement of section 703(a) is non-discriminatory, as is section 1642. The nominal requirements under section 703(a), of a bond for faithful performance bond and fee of \$50 are directly related to supervision, and the cost thereof, of

business placed with nonadmitted insurers. "The statutory requirement merely places persons acting for such insurers on the same basis as those who act for admitted insurers foreign and domestic."

### Solvency Statutes

"So likewise, the solvency statutes of California . . . merely exact from foreign insurers the identical standards of integrity and fair dealing required of domestic insurers. Appellant seeks in effect to obtain a ruling which will result in a foreign insurer having an advantage over domestic insurers. Certainly if California regulatory statutes enacted for the public welfare in the exercise of the state's police power, are binding on domestic companies, while foreign companies and their agents may operate in California with impunity, then there is discrimination, but in favor of the appellant."

As to the appellant's contention that the law barring the formation or admission of additional "chapter nine" companies is not valid, the brief recites at length the unhappy history of these assessment organizations and the reasons for requiring that new companies or new licensed out of state companies be permitted to write life insurance only on a legal reserve basis and contends that protection of company solvency and the California policyholders constitute a sufficient reason why the law is a valid exercise of police power.

### Intention of Congress

The brief's final point is that congress has shown that its intention always has been and continues to be, until congress shall otherwise specifically enact, that the states may regulate and tax insurance. The brief points out that there are two classes of regulation of interstate commerce: Matters requiring national uniform regulations, if any, and matters subject of local control. This division resulted from the Cooley vs. Board of Wardens case and gave rise to the doctrine of congressional "silence."

By this doctrine, according to the brief, is meant that as to matters national in character, if regulated at all, they should be regulated uniformly throughout the country and that the silence of congress on the subject must mean that congress intended no regulation. Under such circumstances the states could not by regulation affect such matters. However, the principle does not affect the legality of state regulation of local matters.

The brief also quotes from the S.E.U.A. decision: "And the fact that particular phases of an interstate business activity have long been regulated or taxed by states has been recognized as a strong reason why, in the continued absence of conflicting congressional action, the state regulatory and tax laws should be declared valid."

Furthermore, if any doubt existed, it



Shanghai's famous Bund, where the A.A.U. maintains offices at #17

## SHANGHAI WELCOMES BACK AN OLD FRIEND

Practically on the heels of the liberation of that city from the Japanese, American insurance protection for American investments was made available by the AIU, through its affiliate, the American Asiatic Underwriters. A. A. U. personnel, some released from Japanese internment camps, others flown in from the United States, were on the spot to make this possible.

**Brokers:** The coming years of American trade expansion will find many of your clients operating in distant lands where insurance problems can be complicated. To help you serve their insurance requirements on a world-wide basis, we invite you to utilize the specialized services of the AIU, which offer: (1) . . . a thorough knowledge of the foreign field; (2) . . . an international organization that can render competent service promptly on all lines of insurance practically anywhere in the world; (3) . . . adequate cover in strong American companies.

## AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION

111 JOHN STREET, NEW YORK



340 PINE STREET, SAN FRANCISCO

1794

152ND ANNIVERSARY

1946

**THE INSURANCE COMPANY**  
**STATE OF PENNSYLVANIA**

308 WALNUT STREET, PHILADELPHIA 6, PA.





## Hold your Automobile Business

### ... AND ATTRACT NEW PREMIUMS



You can do both if you take full advantage of the Bank and Agent Auto Finance Plan. Unless you support this plan it may mean substantial loss of income. Local agents and local banks, countrywide, are now working together to sell prospective car buyers on the many merits of this friendly community method of financing and insuring automobiles.

To assist agents of the Royal-Liverpool Group to publicize and popularize this plan, and thereby to write a maximum volume of Automobile premiums, we have made available to them the sales kit here shown, which makes possible an effective, *sustained* campaign.



- 1 Display poster for wall or window use
- 2 Easel-back counter display card
- 3 Reduced reproduction of poster for mailing enclosure
- 4 Direct mail sales folder
- 5 Special sales folder for cooperating banks
- 6 Policy tab
- 7 Blotter
- 8 Identification card

A request addressed to our Publicity Department will bring you a complimentary copy of this sales kit—one of our Group's many production aids on various coverages.

Fire and Casualty Companies of the

# ROYAL-LIVERPOOL GROUP

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK 8, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA • EAGLE INDEMNITY COMPANY • GLOBE INDEMNITY COMPANY • ROYAL INDEMNITY COMPANY

clearly would be dispelled by public law 15 in which congress expressly provided that "the continued regulation and taxation by the several states of the business of insurance is in the public interest and that silence on the part of congress shall not be construed to impose any barrier to such regulation and taxation," the brief points out.

In its conclusion the brief states that there is a compelling practical reason, founded in public policy endorsed by congress, why the California regulatory laws involved in this case should be upheld.

"Unless this appeal is affirmed," it states, "the result would be that any

person, firm, or group could engage in the insurance business and comply only with the laws of the state having the weakest regulatory laws by the simple expedient of operating from that state but sending agents to the other states of the union. Indeed, it is conceivable that such operations could be conducted from foreign countries, perhaps having no effective regulatory laws which guarantee that insurance contract obligations will be paid to assureds when payments are due.

"From the standpoint of agents and salesmen operating in California, a reversal of this case would mean that any person, unscrupulous or otherwise,

could sell insurance in that state for a foreign insurance company with immunity, for there is no federal statute to control the situation. Such situation would result in depriving the public of the protection of the carefully thought out and long enforced laws enacted for its protection."

## Windstorm Body Told to Revise Certain Practices

(CONTINUED FROM PAGE 3)

be revised so that it bears some relationship to the present manual classes. "The present experience classification schedule is substantially the same as when it was originally adopted in 1924. Since that time many changes have been made in the rate manual classification with the result that the statistical plan now in effect has very little relationship to the present classifications and, therefore, is of doubtful value in determining individual class revisions."

4. The blanket insurance forms should provide for adjustments of values and rates on renewal dates. Rules now provide for average blanket rates for windstorm insurance under a policy which covers blanket as to buildings and/or contents; location; or as to both (a) building and/or contents and (b) location. Average blanket rates are promulgated only on application and on properties at a single location, upon satisfactory statement of values, subject to verification, filed with the application and signed by the insured; on understanding that rates are to remain in force until revoked and that failure to file a satisfactory statement of values will automatically justify revocation of the promulgated average blanket rate; and on inclusion in the policy of a satisfactory description of the property covered.

These rules, Mr. Rothbart declares, do not provide for a review and an adjustment, where indicated, of the values or of the average rate, on the anniversary of the policy. The stated values and the average rate effective at the inception date of the policy may apparently be continued indefinitely, he observes.

### Tables of Experience

Among the tables which Mr. Rothbart includes in his report are those showing the association's experience by classes for the five years 1939-43 inclusive for New York state, with a fur-

ther breakdown showing New York City and non-New York City business; windstorm portion of extended coverage No. 4 for entire tornado association territory, further subdivided to show New York state and non-New York state business for the eight years beginning with 1936 when E.C. No. 4 was introduced; and the same for windstorm business excluding windstorm portion of E.C. No. 4 for the 10 years 1934-43, and finally the combined experience, straight windstorm and E.C. No. 4.

Following is the experience for the association's entire territory on the windstorm portion of E.C. No. 4:

	Net Premiums Written	Net Losses Paid	Loss Ratio
1936	\$ 365,583	\$ 65,930	18.1
1937	575,342	227,435	39.5
1938	1,077,174	2,064,881	191.7
1939	1,644,153	548,507	35.4
1940	2,029,723	525,770	25.9
1941	2,832,506	589,181	20.7
1942	3,893,694	1,081,732	24.6
Total	\$16,812,021	\$5,906,402	35.1

The premiums charged to windstorm under E.C. No. 4 are estimated at 40% of the total premiums for this endorsement and are so reported for statistical purposes, while the losses are the actual losses paid for windstorm damage.

Following is the experience exclusive of the windstorm portion of E.C. No. 4 for the 10 years 1934-43 inclusive:

	Net Premiums Written	Net Losses Paid	Loss Ratio
1934	\$1,165,463	\$ 253,711	22.2
1935	1,179,415	232,514	19.8
1936	926,098	363,738	39.3
1937	936,564	509,237	54.4
1938	1,031,055	2,572,397	249.5
1939	835,234	963,413	115.3
1940	802,426	237,319	29.6
1941	874,566	309,426	35.4
1942	770,054	343,151	45.4
1943	779,246	317,297	40.7
10-yr. tot.	\$9,300,121	\$6,114,205	65.7

In view of the recent rate revisions, the limited exposure in many classes and the high losses for 1944 a general rate revision is not recommended "for the time being."

### Minsky Retires at 70

George Minsky, 70, veteran vice-president of Michigan Millers Mutual Fire and Mill Mutuals agency, Lansing, retires after 21 years' service with Michigan Millers and its affiliated agency and a half century in insurance. He was state agent for American, traveling out of Lansing, from 1908-1921, and earlier was with several companies in the western department offices working out of Chicago.

Mr. Minsky directed organization of the Mill Mutuals agency whose premium volume has been increased since 1921 to exceed \$1 million in 1945. Some 60 officers and employees of the allied Michigan Millers organizations attended a farewell luncheon for Mr. Minsky. Stannard L. Baker, president Michigan Millers, presented Mr. Minsky a pair of fine binoculars and the field men gave him a pen and pencil set.

Two members of the well-known Earls family of Cincinnati will return to civilian life shortly when Lt.-Com. William T. Earls resumes his work as general agent for Connecticut Mutual Life and Lt. John V. Earls of the navy returns to the Earls-Blain agency as a vice-president. Both are sons of W. A. Earls.

William Earls has been a financial adviser to the navy at Annapolis. John Earls most recently has been communications instructor at Harvard. Entering the service in 1942, he was with the first contingent of marines to land on Guadalcanal as a communications officer. After recovering from an illness he was appointed to Admiral Halsey's staff and later served as a liaison officer before his most recent assignment.

The J. L. Keeler agency, Sequim, Wash., is being continued by his son, G. H. Keeler. The elder Keeler died recently.

Illustrate your A. & H. sales talk with the "Pictograph", \$3.00 a copy. The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

## An Outstanding OPPORTUNITY

for a

# Casualty Underwriter

We have an opening for a Managing Underwriter for automobile and casualty lines that offers a very unusual opportunity.

The position is unique in that both sales and underwriting are under one manager. Therefore the Managing Underwriter is given an extra opportunity to be of direct assistance and receive full recognition for sales ability as well as underwriting.

The company offering this position is an outstanding mid-western stock casualty company with a fire running mate, where the growth factor is assured in addition to a very strong financial condition. It therefore combines the opportunity of a key home office position with security and an excellent future.

The requirements are a thorough knowledge of automobile and general casualty underwriting combined with a sales approach to the business. Please write to the box number below giving sufficient information to arrange a personal interview.

Box E-18

The National Underwriter  
175 West Jackson Blvd., Chicago 4

## NATIONAL INSPECTION COMPANY CHICAGO, ILLINOIS

Service to Stock Fire Insurance companies for 41 years.  
Inspections and Underwriting Reports.

J. G. Hubbell, { Managers  
H. B. Chrissinger, }

R. L. Thiele, Ass't Mgr.  
P. A. Pederson, Chief Inspector

## Convention Dates

Jan. 9. Farm Underwriters Association, Chicago.

Jan. 18. South Dakota Agents, Huron.

Jan. 23-25. All-Industry committee, Hotel New Yorker, New York.

Jan. 23-25. National Assn. A. & H. Underwriters (mid-year), Lassen hotel, Wichita.

Jan. 25. American Association of University Teachers of Insurance, Cleveland.

Feb. 5-6. Health & Accident Conference, mid-year, Stevens Hotel, Chicago.

March 4. Pittsburgh Insurance Day, William Penn Hotel, Pittsburgh.

April 1, 2. Missouri Agents' Midyear, Hotel Statler, St. Louis.

May 15-17. Insurance Accounting & Statistical Association, Baker Hotel, Dallas.

April 4-5. Minnesota Agents, mid-year, Minneapolis.

April 30-May 2. American Association of Insurance General Agents, Biltmore Hotel, Atlanta.

May 3-5. North Carolina agents, Pinehurst.

May 12-15. National Assn. of Insurance Agents, mid-year, Cincinnati.

May 20-22. Health & Accident Underwriters, annual, Netherland Plaza, Cincinnati.

June 23-25. National Association of Accident & Health Underwriters, Denver.

Sept. 22-26. National Assn. of Insurance Agents, Brown Palace Hotel, Denver.

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## CHICAGO

### 60 REJOIN WESTERN ADJUSTMENT

Sixty veterans of the 209 that entered service have returned to Western Adjustment. The latter figure represents about one-third of the company personnel. Twenty-one more men have been discharged and probably will report back after the first of the year, and 16 others have decided not to come back to the company.

### DEPARTMENTS' GOOD YEAR

Western departments had a very good year in 1945. Automobile losses were severe and continue so. Otherwise the companies fared very well. The end of the year cold freezing weather increased appreciably the number of fires and ran the loss ratio up a few degrees. Farm companies report increased losses caused by cold weather. Many of these are due to oil burners used for cooking. There have been several explosions. There was an increase in farm premiums this year due largely to increased values.

### THREE VETERANS RESUME POSTS

Three war veterans have returned to the Conkling, Price & Webb agency, Chicago, after long service. Capt. Edward J. Brink, Jr., of the army who was wounded on Guadalcanal and later took part in the European conflict, has been placed on inactive duty after 4½ years' service. He has been appointed by C. P. & W. as downstate Illinois field man. Capt. Brink was with the agency for four years before going to war.

He was a non-commissioned officer in the Illinois national guard and was promoted to lieutenant before leaving the United States for combat duty. Capt. Brink is a son of E. J. Brink, casualty underwriter of the Glens Falls group western department in Chicago.

Jerry Rolnick, yeoman 1/c, has returned from 4½ years' naval service and becomes casualty underwriter. Before the war he was with the agency for about five years in the accounts department. He has seen service in the Panama Canal zone, Cuba, Puerto Rico, Trinidad and also went to school at Norfolk, Va.

Wave Elsie J. Watts has finished 2½ years' service and has been mustered out as an aviation machinist mate 2/c. She returns to C. P. & W., as a policywriter. Her service was in Corpus Christi and Dallas, Tex., and for about eight months in Hawaii.

### TAKES OVER DOWNSTATE ILLINOIS

Downstate Illinois territory of London Assurance and Manhattan F. & M., which heretofore has reported directly to New York, hereafter will report through the Chicago metropolitan office. James S. Goodwin is manager and Karl Weipert, assistant manager. The field continues under supervision of State Agent J. Lewis Cassell. Heretofore Manager Goodwin's office has had jurisdiction only over Lake, DuPage and Cook counties. Decision to make the change, it was

stated by Chris D. Sheffe, U. S. manager of London Assurance and president of Manhattan, was made after a long, careful survey which brought the conclusion that better service could be rendered to agents in Illinois if the underwriting, accounting, loss work and other details were handled closer to the source.

### EARL J. SMITH RETIRES

Earl J. Smith has retired from Underwriters Laboratories as engineer of gases and oils. Last May he completed 39 years of continuous service. Going to the laboratories as a recent graduate

of the new course in fire protection engineering at Armour Institute, Mr. Smith was assigned to testing hand fire extinguishers and subsequently gasoline stoves and lighting systems, acetylene generators for lighting, also early models of gasoline storage and dispensing units. In due time his responsibilities extended to the comprehensive list of products.

During his long service, Mr. Smith earned recognition from the industry, from the fire insurance business, and from federal, state and municipal authorities as an outstanding authority in

the problem of safeguarding equipment and methods involving basically hazardous materials.

### Frank Fitzgerald Returns

Frank Fitzgerald, advertising manager of Grain Dealers National Mutual Fire of Indianapolis, has returned to the job after military service in the Pacific. He is a brother of L. A. Fitzgerald of the headquarters staff of American Mutual Alliance who also has been out of uniform just a few weeks.



## TOUGH PROBLEMS ARE EASIER WHEN FRIENDS SOLVE THEM TOGETHER

An eight-letter word that describes our relationships with agents is "friendly." We're mighty proud of the nickname "friendly folks" that you and your fellow agents have given us, and we try to live up to all that the name implies in terms of understanding agent's problems and helping to solve them.

Our men in the field and in the home office realize that both you and we have a common goal:—keeping policyholders satisfied. We recognize the importance of personal relations in coping with the problems encountered on the way to that goal.

Our aim in business is to help you help your clients by giving you the same friendly, efficient service that you give them.

In this kind of agent-company relationship we cut through red tape, eliminate cumbersome detail and unnecessary correspondence, save a great deal of productive time by anticipating your wants and needs and filling them as part of our understanding service.

We believe you, too, would enjoy doing business with us.

## LOCAL AGENCY FOR SALE

An established agency in a major Mid-Western city is looking for a partner or can be purchased outright. This agency holds a general agents contract for the State in which it is located of a very competitive casualty company, as well as local agency contract with well known companies. This is a good opportunity for an aggressive man.

### FERGASON PERSONNEL

Insurance Personnel Exclusively  
100 W. Jackson Blvd., Chicago 4, Illinois

Every Type of Property Insurance for Industry and the Home.

**Agricultural**  
Insurance Company  
of America, Inc.

**Empire State**  
Insurance Company  
of America, Inc.



## NEWS OF FIELD MEN

### Zibble Joins Agricultural; Peacock to H. O.

Howard J. Zibble is joining Agricultural and Empire State as state agent for Wisconsin. He succeeds George C. Peacock, who is being recalled to the home office to undertake special research and to supervise educational training.

Mr. Peacock, a native of Watertown, N. Y., joined Agricultural in 1921. After serving in various departments at the home office, he was sent into Wisconsin in 1933 as assistant to the late John R. Brown. He became state agent on Mr. Brown's retirement in 1936. He has been active in Business Development Office and public relations projects and has lectured at schools and colleges.

Mr. Zibble graduated from the Illinois Institute of Technology in 1935 and was with the Kentucky Actuarial Bureau two years before he joined the Willett E. Main general agency at Madison, Wis., where he was employed un-

til the end of 1941. Since then he has been with the National Fire in Wisconsin and upper Michigan. He will be located at 741 North Milwaukee street, Milwaukee.

### Larkin in Minn. for Crum & Forster

Lt. Comm. Maxwell C. Larkin has gone with Crum & Forster in the Minnesota field.

He has an excellent insurance background. He is a graduate of Illinois Institute of Technology in fire protection engineering, following which he served five years with the Fire Underwriters Inspection Bureau in Minnesota, then was with Travelers Fire as special agent until he entered the navy in 1942. He was security officer for the third naval district in New York City and was then transferred to duty on the Missouri as fire marshal. From there was assigned to the California, where he was damage control officer until he was demobilized a few weeks ago.

Mr. Larkin will travel in Minnesota

under the direction of State Agent R. R. Hays, with office at 1406 Northwestern Bank building, Minneapolis.

### Kingsley to Home Office; Kerr Named in Denver and Simonton in N. M.

SAN FRANCISCO—Philip F. Kingsley, for 15 years in the mountain territory for Fireman's Fund, most of which time he was state agent with headquarters in Denver, has been appointed superintendent of the service and improved risk department at the home office. He will also have charge of the training courses for the men returning from military service.

He will be succeeded in Denver by Alton E. Kerr, special agent in New Mexico. George E. Simonton, just back from service with the army air force, has been appointed special agent for New Mexico with headquarters in Albuquerque.

### Wm. S. Johnson Joins Ohio Farmers in Indiana

Ohio Farmers has appointed Wm. S. Johnson as special agent in Indiana.

After graduating from Franklin College, Mr. Johnson became associated with Farmers Trust Co., of Franklin, Ind. He then went with America Fore and for several years traveled Ohio as special agent in the farm department.

He will travel from the Indiana state agency of Ohio Farmers in Indianapolis.



W. S. Johnson

### Kezer Special Agent for Sun in Maine and N. H.

Harlan E. Kezer has been appointed special agent for the Sun group in Maine and New Hampshire with headquarters at Portland. He will relieve Special Agents Bennett and Vion of part of the territories now covered by them.

Mr. Kezer is a graduate of Tufts and had insurance experience before entering the army, where he served in the air force.

### Whitford to Cravens, Dargan

Cravens, Dargan & Co. has established field headquarters in the Boston building, Denver, under the direction of Special Agent Frank M. Whitford.

Mr. Whitford is a veteran, having served in both the army and the navy.

### Traveling Men Are on Edge

Field men report that not only are the hotels in large cities congested but the same condition is found among the smaller size and medium ones. A field man does not depend on getting accommodations unless he arranges ahead of time. Eating places also are well crowded. The hotel situation is due partly at least to the fact that many people in the locality having sold their places cannot find others in which to abide and hence are living in the hotels. The hotel situation makes the field man's life more burdensome.

Not so long ago he couldn't get to a town for lack of gas; now that he can get there he can't get bedded. The temper of many traveling men these days is on edge, due to the inconveniences and trials that each day brings in getting about, getting fed, housed, laundered and pressed.

### Plan 1950 Grand Nest Meeting

James A. Bawden, Springfield, has been appointed chairman of a committee to provide ways and means for the

annual meeting of the Blue Goose grand nest in Indianapolis in 1950, when J. Ray Hull, American States Fire, will be most loyal grand gander.

P. M. Winchester, most loyal grand gander, is expected to visit the Indiana pond Jan. 27.

### Utah-Idaho Pond Initiates

SALT LAKE CITY—The Utah-Idaho Blue Goose put on a stag party and initiation here Dec. 27, when seven candidates were initiated, and the following evening held a Christmas party, with ladies and special guests in attendance.

It was reported that some of the former members of the Boise puddle are talking of reorganizing. Wieler C. W. Lundquist was commissioned to contact them and report at the January meeting.

### Hibbard Rejoins National in Va.

Charles A. Hibbard, who has been a lieutenant in the navy, is back in the field as special agent for Virginia of National Fire under State Agent Daniel L. Coulbourn. Mr. Hibbard was an engineer for the Virginia Rating Bureau before going with National.

### Dobbins Again in Va. Field

E. R. Dobbins, Virginia special agent of American Eagle and Niagara with Richmond headquarters, is back in the field after serving in the navy. While he was away, his field duties were looked after by P. F. Brown, Jr., Virginia special agent of Fidelity-Phenix, and W. M. Goodman, special agent of Continental.

### Bolton to Return to Ore.

Thomas M. Bolton has been appointed special agent of the Phoenix-Connecticut group at Portland, Ore., succeeding A. N. Potter, Jr., who recently resigned to go with a Medford, Ore., local agency. Mr. Bolton traveled the Oregon territory before joining the army and is now in the San Francisco office for a few weeks' refresher course.

### G. F. Krank to Retire

George F. Krank, state agent for Hanover with headquarters in Albany is retiring after 28 years of service. He became a field man in eastern New York after being associated with a local agency. He will continue in the business, operating a local agency in Albany.

The Stock Fire Insurance Field Club of Charlotte, N. C., sponsored a party for more than 20 underprivileged children who are or have been patients at Mercy Hospital.

Pryde Basinger was chairman of the committee in charge.

The Illinois Blue Goose is polling its members to find out whether there is enough interest to go ahead with plans to hold a ladies' party at the Lake Shore Club, Chicago, Feb. 16. This was an

#### SPECIAL AGENT WANTED

Young man to travel Kansas for old line companies with well established plant. Headquarters in Wichita. All applications given confidential treatment. Give full information when submitting application. Address E-28, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

#### WANTED

Special Agent to travel Oklahoma and Missouri for old line companies with established plant. Headquarters at Tulsa. Give full particulars. All applications treated in strict confidence. Address E-29, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

#### AVAILABLE

Insurance executive just released by W.P.B. is interested in sales development work, either at a home office or in the field, as state or special agent, operating preferably from Washington or Baltimore.  
Norton L. Dods, 1940 N.E. 3rd St., Washington 2, D. C.

## YOUR LATIN AMERICAN INTERESTS ARE BEST PROTECTED



## BY LATIN AMERICAN SPECIALISTS

Just as you go to specialists for certain types of insurance, so it is wise to go to insurance experts who specialize in certain areas. Obviously the on-the-spot man is better versed in local regulations and conditions than one sitting at a desk thousands of miles away.

Through its offices, agents, and correspondents throughout the Americas, ULTRAMAR acts as Foreign Managers for leading U.S. and Latin American under-

writers handling every type of insurance. It is a reliable, thoroughly experienced international organization which specializes in Latin America.

Dealing with ULTRAMAR, you have these three basic advantages: 1—Prompt, time-saving settlement. 2—Convenient, direct adjustment under uniform conditions and terms. 3—Payment in either U.S. or local currency, as desired.

We invite queries from individuals, brokers, business houses, agents, and insurance companies anywhere in this hemisphere. Address whichever office is most convenient to you.

**IN HAVANA:** Oficinas de Ultramar S. A., Edificio La Metropolitana, Havana, Cuba. Phone: M-9869.

**IN NEW YORK:** Oficinas de Ultramar S. A. of New York, 80 John Street, New York 7, N.Y. Phone: WHitehall 3-9690.

**IN MEXICO CITY:** Oficinas de Ultramar de Mexico S.A. Isabel La Catolica, No. 45, Mexico, D. F. Phone: Mex. L-1063.



International Insurance



annual event in former years but has not been held recently.

### 3 Great American Men Back from War

Western department of Great American announces the return of three former field men recently discharged from the armed services:

Henry A. Garke has resumed his position as special agent in Oklahoma, assisting State Agent Z. M. Lang, Oklahoma City.

#### Hail Specialist Returns

Kenneth E. Kay, formerly special agent of the hail department in southeastern states, has been assigned similar duties in Tennessee and Kentucky, with headquarters at Stahlman building, Nashville.

Ted T. Harper, formerly in the Rocky Mountain territory, has been transferred to the Missouri field as special agent, to assist State Agent Guy E. Dixon, with headquarters in the Waldheim building, Kansas City.

#### Dirkers with Fireman's Fund

Jerome C. Dirkers has been appointed special agent and engineer at Minneapolis for Fireman's Fund. Recently discharged from the army, Mr. Dirkers is a graduate fire protection engineer trained at Armour Institute. Mr. Dirkers' first job was with the Kansas Inspection Bureau, then he was with Western Factory Insurance Association and was serving as special agent in Indiana for a fire company when he entered the service.

## NEW YORK

#### FETE WARNER AT 20-YEAR MARK

Harold Warner, general attorney of Royal-Liverpool, was feted by his executive colleagues at a luncheon in view of the fact that he had completed 20 years as U. S. head of the group. He was presented with a chest of pipes and a pair of binoculars. A cable message was received from J. Dyer Simpson, chief general manager in Liverpool.



Harold Warner

H. C. Conick, U. S. manager of the fire companies; Kenneth Spencer, executive director of the casualty companies, and F. B. Zeller, manager of the marine companies, spoke appreciatively of the achievement of Mr. Warner in bringing together under one roof and with a coordinated management, the extensive and varied activities of the companies.

Mr. Warner started in the business with Central, which was a subsidiary of L.&L.&G. He was advanced until he became assistant manager at the head office and in 1926 came to the United States as U. S. manager and joint general attorney of Liverpool and president of its domestic companies. In 1929 he was appointed to similar positions with

companies in the Royal group. Since the end of 1943 he has held his present title.

#### COLLECTIONS EXCELLENT

As a rule companies report collections are in very good shape. Evidently local agents have the money and paid their balances without much pressure. There were some, as there are always, who held back until the last few days of the year and the usual chronic offenders had to have considerable prodding. There has not been the usual rush and turmoil of collecting at the last part of the year.

Some companies are considering the advisability of closing their fiscal year

Oct. 31, and thus avoiding many of the conditions that are undesirable when the books close Dec. 31. The Oct. 31 plan would eliminate the year end rush and give more time for leisurely collections. One of the desirable features would be that the annual figures have all been put in form so that discussions with field men can start much earlier than when they have to wait for the Jan. 1, statements.

#### MEET AT NEW YORKER

The meeting of the all-industry committee in New York Jan. 23-25 is to be held at the Hotel New Yorker. It may be that a committee of the all-industry

group prior to that time will have a meeting with a committee of the National Association of Insurance Commissioners.

#### Read Warnings of "Ad" Salesman

Commissioner Read of Oklahoma issued warning against a certain publication that used his name in soliciting advertising. He said that the solicitor was stating that Mr. Read asked him to call and see if he could secure a \$50 "ad" from the victim. The commissioner's letter was sent to insurance companies, stating that he had never authorized such solicitations in his name.

## WHEN THINGS GET ROLLING

**HOMETOWN AGENTS**  
representing companies  
of the  
**Fireman's Fund Group**  
**WILL ROLL, TOO!**

The NAIA Bank and Agent Auto Plan has sounded the keynote—laid the foundation—for the Hometown Agent and the Hometown Banker to get together and keep automobile and appliance financing at home where it belongs and where it can continue to enjoy the advantages of Hometown Agency Service.

Looking forward to the insurance opportunities that this will create for its agents, Fireman's Fund will soon announce a constructive program designed to motivate and augment the Bank and Agent Plan—to help you get and hold this preferred business in your community.

## WATCH FOR ANNOUNCEMENTS

Fire • Automobile • Marine



Casualty • Fidelity • Surety

## FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company  
Fireman's Fund Indemnity Company  
Home Fire & Marine Insurance Company  
Western National Insurance Company  
Western National Indemnity Company

SAN FRANCISCO • NEW YORK • CHICAGO • BOSTON • ATLANTA

**FACTUAL APPRAISALS**  
SOUND  
COMPETENT  
RESPONSIBLE

Impartial Valuations of Industrial and Commercial Property. Thirty-five years of factual appraisal service to America's more conservative business institutions.

**The Lloyd-Thomas Co.**  
APPRAISAL ENGINEERS  
EXECUTIVE OFFICES  
APPRAISAL ENGINEERING BUILDING  
141 N. LAVERGNE AVENUE  
CHICAGO 40

BRANCH OFFICES IN OTHER PRINCIPAL CITIES





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tion to the (commissioner), to any statistical agency designated by the (commissioner), to any rating organization, or to any insurer, which will in any way affect the rates or premiums chargeable under this act. A violation of this section shall subject the one guilty of such violation to the penalties provided for in section 12 of this act.

#### SECTION 12—PENALTIES

The (commissioner) may, if he finds that any person or organization has willfully violated any provision of this act, impose a penalty of not more than . . . . . for each such violation. Such penalty may be in addition to any other penalty provided by law.

The (commissioner) may suspend the license of any rating organization or insurer which fails to comply with an order of the (commissioner) within the time limited by such order, or any extension thereof which the (commissioner) may grant. The (commissioner) shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or, if an appeal has been taken, until such order has been affirmed. The (commissioner) may determine when a suspension of license shall become effective and it shall remain in effect for the period fixed by him, unless he modifies or rescinds such suspension, or until the order upon which such suspension is based is modified, rescinded or reversed.

No penalty shall be imposed and no license shall be suspended or revoked except upon written order of the (commissioner) stating his findings, made after a hearing held upon not less than ten days' written notice to such person or organization specifying the alleged violation. . . . .

#### SECTION 13—HEARING; PROCEDURE; JUDICIAL REVIEW

(a) Any insurer or rating organization aggrieved by any order or decision of the (commissioner) made without a hearing, may, within 30 days after notice of the order to the insurer or organization, make written request to the (commissioner) for a hearing thereon. The (commissioner) shall hear such party or parties within 30 days after

receipt of such request and shall give not less than 15 days' written notice of the time and place of the hearing. Within 30 days after such hearing the (commissioner) shall affirm, reverse or modify his previous action, specifying his reasons therefor. Pending such hearing and decision thereon the (commissioner) may suspend or postpone the effective date of his previous action.

(b) Nothing contained in this act shall require the observance at any hearing of formal rules of pleading or evidence.

(c) Any order or decision of the (commissioner) shall be subject to review on the basis of the record of the proceedings before the (commissioner) and shall not be limited to question of law, by (appeal) (writ of certiorari) to the . . . . . court at the instance of any party in interest. The court shall determine whether the filing of the (appeal) shall operate as a stay of any such order or decision of the (commissioner). The court may, in disposing of the issue before it, modify, affirm or reverse the order or decision of the (commissioner) in whole or in part.

In a foot note it is stated that the words "fire," "marine," "fire and marine," "inland marine insurance" and "motor vehicle insurance" are used herein in their generally accepted trade sense. The wording of the section should be fitted to any laws of the state which classify insurance.

Also: Aviation Insurance has been excluded not because it is unsuceptible to regulation at the state level but due to the comparatively brief experience and small volume of business in this field, the committee has not been able to formulate satisfactory rate regulatory provisions adequate to meet the needs of the situation. The subject is, therefore, to be given further study by the committee.

#### Nehring Moves to Denver

Martin J. Nehring, adjuster with Western Adjustment in Columbus, O., has resigned and is moving to Denver, where he may engage in the insurance business. He is succeeded by C. W. Coffman, who has been with the Cambridge, O., office.

## New Engineering Group Holds First Meeting Jan. 14

J. I. Banash, consulting engineer, will discuss the handling and use of industrial gases at the first meeting of the newly organized fire protection and safety engineering group of the Western Society of Engineers. The meeting will be held Jan. 14, at 7 p. m., in the assembly hall of the Civic Opera building in Chicago.

B. G. Anderson, who has just become assistant secretary of the Western Society of Engineers after four years in the army, has been assigned to work on the new fire protection and safety engineering group. A graduate of Armour Institute (now Illinois Institute of Technology) in 1939, Mr. Anderson was with the Ohio Inspection Bureau in Columbus and Toledo before entering service. He was overseas more than a year with the 9th army and took part in its campaign in France and Germany.

#### Personnel of Committee

A. H. Jens, chief engineer Springfield F. & M., is chairman of the committee which organized the new group. Prof. J. J. Ahearn of I. I. T. is vice-chairman and Mr. Anderson is secretary. The other committee members are J. E. Harrington, consulting engineer; W. J. Fairbairn, Factory Insurance Association; Prof. J. B. Finnegan, head of I. I. T.'s fire protection engineering department; J. D. Gallagher, Hartford Accident; H. W. Lange, Cardox Corp.; E. J. Smith, Underwriters Laboratories, and W. Z. Whipple, Chicago Eye Shield Co. President H. T. Heald of I. I. T. is president of the Western Society of Engineers.

The new group is planning on a safety engineering program in February, a fire

## Sees Publicity as Substitute

(CONTINUED FROM PAGE 1)

thing to do is to give complete publicity to everything; that happenings should be bulletined to the membership as well as published in the papers and insurance publications. Then people will be afraid to do wrong. This would seem to be much better than fining them."

In the broadened activities of the regional organizations, Mr. McCain declared, they will have larger facilities and larger territories to enable them to furnish the states with services they cannot furnish themselves. He said for instance it would be impossible for a state like Vermont to pay for its own engineering services but through the New England Insurance Exchange they can secure engineering and sprinkler services second to none in the country.

All organizations will make of themselves service bodies equipped better than in individual states and with less cost. They will suggest schedules and the basis on which schedules will be made. They will determine the proper rates and, in turn, hope they will be adopted by the states. Organizations will be able and have more time because of the releasing of police powers. This will all bring about better economy throughout the country and in the various territories. He expressed the belief that the responsibilities and usefulness of organizations are going to be far greater than they have in the past.

Mr. Martin, in commenting, said that the business has come out of the fog of three years preceding and since the supreme court decision.

protection program in March and a combined fire and safety engineering forum later in the spring.

**FIRE ALLIED LINES**

**REINSURANCE**

**INTER-OCEAN REINSURANCE COMPANY**

90 John St.  
NEW YORK CITY

114 Sansome St.  
SAN FRANCISCO

CEDAR RAPIDS, IOWA

## EDITORIAL COMMENT

### Getting Out in the Tall Grass

Field men now have an opportunity to visit and work with agents in the smaller places. When gasoline restrictions were on it was necessary to concentrate on the larger places because of the transportation situation. Therefore the field men used the telephone, telegraph and postal facilities in dealing with the agents located in the rural sections.

Many of these agents have become more independent and better fortified in their own right because they have had

to assume responsibilities which they passed on to the field men heretofore. They were able to gather important information and add to their store of knowledge.

The condition, however, has impressed companies with the fact that it pays to have these smaller agents cultivated. Their business is most desirable. While they may not know all the ins and outs of securing and writing business, they are conscientious and reliable.

### Agent Should Be on Guard

Fireman's Fund calls attention to the fact that the biggest subject for local agents to take to heart is that of values. It is found, the company says, that in nine cases out of 10 people are underinsured or possibly not covered for certain hazards and thus individuals and owners of businesses in cases of a loss find themselves partial self insurers.

Fireman's Fund observes that the average layman who has a fire policy believes that it protects him thoroughly. It may have been adequate at the time it was issued. Times have changed and values have increased.

From a public relations standpoint an individual or a concern that thinks there is adequate insurance but discovers at time of loss that there is not or that there has been some feature that should have been protected holds his insurance man responsible for any lack or loose-

ness that develops. He regards his agent or broker as intelligent, trustworthy and possessing sufficient knowledge to see that there is ample protection. Perhaps the producer has recommended something to which the policyholder did not respond. There should be something in writing so that the agent can protect himself in case of loss where he has recommended insurance that was not taken.

Undoubtedly much harm is done to the insurance business through the neglect of agents to see to it that an assured is properly protected.

When an assured finds that he is at least partly a self insurer he becomes a very bad advertisement for the insurance business. An insurance man should take no chances. If the assured does not agree to his suggestion, he should write him what is recommended and keep a copy of the letter for self-defense,

### Four Fundamental Cs

E. Jay Wohlge-muth, founder of THE NATIONAL UNDERWRITER and its president until he died, observed in his work what he called the "Four Substantial Cs." That is, there were certain factors in building an organization that Mr. Wohlge-muth considered essential if the work was to be successful and progressive. The four Cs were "conference, co-operation, conciliation and confidence." He laid these four foundation stones with great care and he spoke with pride about them during his entire life.

Mr. Wohlge-muth was an idealist and yet was a very practical man. In developing his publishing business he never sought to have it a one-man institution. He had almost an uncanny sense in selecting people whom he desired to develop and become key men in his business. Therefore he drew these men into conference because he felt that two heads were always better than one.

While he reached his conclusions through logical processes, yet he desired to lay responsibility on his associates and have them reach decisions. He was a thorough believer in giving a reliable and trustworthy man who had the elements of growth in him plenty of rope. Through the conference idea he was able to make those associated with him in the management feel that they had a concrete and definite part and a will in it that he wanted to hear.

His second step was cooperation. He sought at all times to establish team work and have the various departments of his organization move in harmony. He attempted to eliminate intrigue, politics and instill good feeling and harmony.

In conciliation he believed that there were often times when men had pronounced ideas, they were determined to do something that he felt was unwise and then he brought into play diplomacy



"PAINTS, BRUSHES, 20 FOOT EXTENSION LADDER, AND, OH YES-----DO YOU KNOW OF AN AGENCY WHICH ISSUES A LIBERAL ACCIDENT POLICY."

and conciliation. He did not want to leave a bad taste in the mouth of anyone who presented an idea. He encouraged original thinking and suggestions. He did feel, however, that if he found it necessary not to accept a suggestion he dismissed it with a conciliatory and friendly spirit so that the author would not be offended.

Then as a sort of top sheet he desired confidence, that is, he wanted people to have confidence in him and he wanted them to have confidence in one

another. He attempted to build up an organization of men who inspired confidence and who were worthy of that confidence.

Thus to his last days he preached this gospel. While he was the head he was a man builder. Through these principles he developed a very strong and effective organization of men and women. He took great pride in them. He saw that after all his conception of what should be done to develop an organization was correct.

## PERSONAL SIDE OF THE BUSINESS

Otto A. Soergel, well known Chicago independent adjuster, is planning to spend the winter in Florida with his wife. He expects to visit with Royal A. Buckman, former adjuster for the Royal-Liverpool group, as soon as he can get located. Mr. Soergel owns a home in Ludington, Mich., where he resides during the summer months. In the fall he and his wife go to Oak Park, Ill., to live with his sister. He has handled fire losses for a few Chicago adjusting offices during his stay in Oak Park, and now has a Michigan license and can handle losses in that state.

E. H. Born of Chicago, assistant manager of the Western Underwriters Association, was stricken with an attack at his home Christmas day. He is now pull-

ing to shore and will be at his desk in due season.

John H. Bartman, office supervisor, celebrated his 25th anniversary with the Phoenix-Connecticut group last week. He started in the claims department in 1920 and transferred to the audit department in 1929.

Follett L. Greeno, prominent local agent, has been elected president of the Real Estate Board of Rochester. He is a former president of the New York State Association of Local Agents and of the Underwriters Board of Rochester.

Richard H. McLarry, president of the Texas Association of Insurance Agents, has been removed from the Medical Arts

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SAN FRANCISCO 4, CAL.—507-S-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Miss A. V. Bowyer, Pacific Coast Editor.

Hospital eight weeks will not for the strength. W. W. Continence agency, first citizen will be p real estate 17.

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Hospital where he has been confined eight weeks, to his home in Dallas. He will not be allowed to have company for the present but is improving in strength and spirit.

**W. Walter Williams**, president of Continental, Inc., well-known Seattle agency, has been selected as "Seattle's first citizen for 1945." A bronze plaque will be presented to Mr. Williams at the real estate board's annual banquet Jan. 17.

## DEATHS

### Frank Burns, Reinsurance Executive in Seattle, Dies

Frank Burns, 60, Seattle reinsurance executive, died at his home there. He was born in Chicago and started in insurance as an agent in 1903, remaining in Chicago until 1922, when he went to Seattle as vice-president and manager of the old Lumbermen's Indemnity Exchange.

In 1924, Mr. Burns started his own business as a reinsurance broker. At the time of his death he was president of Frank Burns, Inc. From a modest beginning, the firm has developed a flourishing reinsurance business and today has a well-staffed organization.

Shortly after his chief aide, John H. Gaffney, entered the navy as a lieutenant, John F. Sullivan, former assistant Washington commissioner, joined the firm as vice-president. Recently Mr. Gaffney returned from the service and resumed his old post as executive vice-president. The firm operates on a general agency basis in Alaska. In pre-war years, Mr. Burns made annual trips to London where he enjoyed many close friendships with British executives.

Mr. Burns served in the Washington legislature and as Republican national committeeman and in 1940 ran for governor on the Republican ticket.

**Mrs. S. C. Neff**, who retired several months ago as assistant to the secretary of the Ohio Fire Underwriters Association and the Fire Prevention Association of Ohio, died at her home in Columbus after an illness of three weeks. A son, Harold Neff, is an adjuster for Ohio Casualty. Mrs. Neff had a wide acquaintance among fire insurance men. A testimonial dinner which was to have been tendered her a few weeks ago was cancelled because of her health. The son is ill in a hospital in Cincinnati.

**Lyman M. Hale**, executive secretary Oakland Association of Insurance Agents, died following a major operation for a condition developed from an old injury. He had been in the business since 1906, spending many years with Edward Brown & Sons as assistant general agent. He resigned and became Pacific Coast manager for the old Russia and Metropolitan Fire Reassurance. When those companies closed their San Francisco offices he went with Crum & Forster for a short time and joined the agents' group in 1944.

**F. H. Blackwood**, local agent in Detroit since 1917, died at his home. He was a former president of the Detroit Real Estate Board and active in the National Association of Real Estate Boards.

**Bert C. Minnich**, 75, for 35 years a local agent at Mulvane, Kan., where he had resided for 45 years, died in a Wichita hospital following a short illness.

**Ernest E. Soenke**, secretary and general manager of Security Fire of Iowa, died unexpectedly last Thursday night at his home at Davenport. He had been at the office during the day. Funeral services were held Monday.

He started with Security in 1907 and had been secretary and general manager since 1917.

Mr. Soenke was born in 1880 in Scott county, Iowa, and attended Iowa State College. He served as cashier of the old Register Life of Davenport four

years before becoming associated with Security Fire.

Mr. Soenke was known as a careful and skilful underwriter. He was valued as a member of committees and had been a member for some time of the uniform forms committee. He was a director of Western Insurance Bureau and at one time served as vice-president.

**A. C. Otterbach**, 72, Iowa Falls, Ia., local agent, died suddenly at his home from a heart ailment. He had been there 35 years.

**Harry W. Robinson**, 65, with Buffalo nearly 25 years, died in a Buffalo hospital after a lingering illness.

**George C. Wallingford** died suddenly, Dec. 28, at the home of his son-in-law, William B. Fearon, Jr., Port Washington, L. I., following a stroke.

Mr. Wallingford joined Atlas in its western department in 1898 after some previous mercantile experience. He served as secretary of the western department until 1921 when he was transferred to New York as secretary in charge of accounts of the U. S. branch and later became U. S. secretary, which position he held until retirement in 1933.

Mr. Wallingford also was vice-president and director of Albany.

**William Eifer, Sr.**, 73, one of the early members of the San Antonio Insurance Exchange, died in a hospital there. He had lived in San Antonio since 1904. He was a past president of the San Antonio Real Estate Board.

**James Hemphill**, 74, Painesville, O., local agent for 18 years, died there.

**Albert A. Watt**, 60, member of Watt & Pratt, Clyde, O., local agents for 25 years, died there.

### Clark Contacting Business for Insurance Exchange

Grant Clark has been appointed manager of business development of the Insurance Exchange building, Chicago, to contact the insurance men, companies and organizations with the object of maintaining the building on a basis of the greatest usefulness to the industry. He attended the recent session of the National Association of Insurance Commissioners in Grand Rapids, and it is the plan of General Manager Orr Goodson to have him attend conventions of other insurance organizations to become acquainted with the insurance men, their business and its needs.

Mr. Clark for the last three years has been Chicago branch manager of the North Star Woolen Mills Co. of Minneapolis, which post he resigned to join the Insurance Exchange. Previously for about nine years he was associated with the management office of the Merchandise Mart in Chicago, specializing in contacting various industries, much as he will do with the Insurance Exchange.

### Pacific Mutual S. D. Tax Suit

**PIERRE, S. D.**—Pacific Mutual Life has started an action in the Hughes county circuit court to recover \$8,861, paid under the old discriminatory tax law, levying 2½% on foreign insurers and 1% on domestic. In 1945 a tax equalization statute was enacted in South Dakota.

Prudential withdrew a suit that it had started.

### Peter Prindiville Is Back with Rollins, Burdick

Peter Prindiville, who during the war served in the merchant marine, has returned to the Rollins-Burdick-Hunter agency, being associated with the aviation and cargo department at Chicago. Prior to the war he had been with Rollins, Burdick both at Chicago and New York. His father is T. J. Prindiville, chairman of Rollins, Burdick in charge of operations at New York.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago.  
Dec. 31, 1945

	Par.	Div.	Bid	Asked
Aetna Cas. ....	10	2.50	91	93
Aetna Fire ....	10	1.80	56	58
Aetna Life ....	10	1.50	48	50
Amer. Alliance ..	10	1.20	23½	25
Amer. Cas. ....	10	.60	12	13
Amer. Equitable ..	5	1.00	23½	25
Amer. Home ....	10	..	12	13
Amer. (N. J.) ..	2.50	.60	20	21
Amer. Surety ....	25	2.50	72	74
Balt. Amer. ....	2.50	.30	7	7½
Boston ....	100	21.00	760	780
Camden Fire ....	5	1.00	23½	25
Contl. Cas. ....	10	2.00	57	58½
Cont. N. Y. ....	2.50	2.00	56½	57½
Fidelity-Phen. ....	2.50	2.20	63	64
Fire Assn. ....	10	2.50	66	68
Firemen's (N.J.) ..	5	.40	15	16
Fireman's Fund ..	10	3.00	104	107
Franklin Fire. ....	5	1.00	24	25½
Glens Falls ....	5	1.85	52	54
Globe & Repub. ....	5	.50	11½	12½
Gt. Amer. Fire. ....	5	1.20	34	36
Hanover Fire ....	10	1.20	30	32
Hartford Fire. ....	10	2.50	117	119
Home (N. Y.) ..	5	1.20	30	32
Ins. Co. of N. A. ....	10	3.00	94	96
Maryland Cas. ....	1	..	18½	19½
Mass. Bonding ..	12.50	3.50	90	94
Natl. Cas. ....	10	1.25	28	30
Natl. Fire ....	10	2.00	59½	61½
Natl. Liberty ....	2	3.30	7	7½
Natl. Un. Fire. ....	20	5.00	182	187
New Amst. Cas. ....	2	1.00	35½	37
New Hamp. ....	10	1.80	50	52
North River ....	2.50	1.00	24	25½
Ohio Cas. ....	10	.80	33	35
Phoenix, Conn. ....	10	3.00	92	95
Preferred Accl. ....	5	1.00	14	15½
Prov. Wash. ....	10	1.40	39	41
St. Paul F. & M. ....	12.50	2.00	76½	78½
Security, Conn. ....	10	1.40	35	36½
Sprgfd. F. & M. ....	25	4.75	123	126
Standard Accl. ....	10	1.45	42	44
Travelers ....	100	16.00	605	615
U. S. F. & G. ....	10	1.50	48	50
U. S. Fire. ....	4	2.00	58	60

\*Includes extras.

### Louisville F. & M. Stockholder Fight

LOUISVILLE — Something of a stockholders fight has developed in Louisville Fire & Marine which, according to Charles Tachau, president, appears to be nothing more than a tempest in a teapot.

On Dec. 27, the Louisville law firm of Ogden, Galphin, Tarrant & Street, representing La Metropolitana Compania Nacional de Seguros, S.A., a Cuban corporation, brought suit, in which Metropolitan claims to own 24,075 of the 40,000 shares of stock of Louisville F. M.

It was related that as of Nov. 6, last, the Cuban interests had asked that a meeting of stockholders of Louisville F. & M. be held prior to Dec. 10, but that the request was denied by Secretary Lewis Tachau. It was alleged that another demand was made Dec. 12 through D. L. Street, attorney, and this demand was also refused. It was further alleged that under the by-laws holders of one-fourth of the shares can demand a meeting of stockholders.

Charles Tachau, referring to Enrique Godoy, president of the Cuban company, said "I do not believe that he has or controls enough stock to demand that a meeting be called. In fact I do not believe he has any voting privileges at all, but I'll be glad for the courts to decide the matter."

The petition asks for a writ to compel the calling of a stockholders meeting to consider amendment of the articles of incorporation that reclassified the directors and their terms of office; sale of William Penn Fire stock that was owned by Louisville F. & M.; granting of an option to purchase stock of Rhode Island Ins. Co. owned by Louisville F. & M.; the manner in which capital stock of the Louisville F. & M. was issued and exchanged; a request for the resignation of all directors and their removal from office if they do not resign.

Charles Tachau remarked that Louisville F. & M. had been repurchased from Rhode Island and that the general offices were being moved back to Louisville, where they would occupy enlarged space in the Speed building.

He also announced a merger of the

C. G. Tachau General Agency, and that of the John D. Williams General Agency, Louisville, into the Mississippi Valley Underwriters, Speed Building, which would have Indiana, Kentucky, Tennessee, and perhaps other states, as general agents for Buffalo, William Penn, Rhode Island and Louisville F. & M.

### Surety Fire Opens Up

Surety Fire started operations Jan. 2 with a capital and surplus of \$2 million. It will write practically all lines of inland marine plus automobile fire, theft and collision.

**EARLY RHODE ISLAND LAWS**

Among the rigidly enforced laws governing early Rhode Islanders were: a 1639 law ordered that all swine must be driven from corn lots. In 1654 wampum was declared no longer legal tender and to be substituted by corn, peas, and other vegetables at set prices—ministers' salaries, school expenses, and taxes were thus paid. The owner of a burning chimney was subject to a fine which was divided between the one reporting it and the town poor. Citizens were fined if their horses galloped on Main Street; if they planted a tree on Sunday; if their maid-servant laughed in church; for not attending Town Meeting; for not accepting a public office unless they had a very good reason for refusing.

The Rhode Island Insurance Company, while proud of its progressive innovations, realizes that none of these things are permanent, and much more progressive ones will replace them in the future.

**THE RHODE ISLAND Insurance company**

PROVIDENCE • RHODE ISLAND  
Progressive in Outlook  
Conservative in Management

FIRE • AUTOMOBILE • INLAND  
MARINE • OCEAN MARINE

# POINTERS FOR LOCAL AGENTS

## Advises Casualty Agents to Add Life Insurance

What is the casualty man thinking of who continues to ignore the opportunity to add life insurance to his otherwise complete line? Thus begins a thought provoking letter to the editor from a California agent.

Pointing to the plight of the old and now outdated exclusive fire agent who waited almost too long to add casualty to his offering, this agent points out the parallel to the present day predicament of the local agent. The fire agents were forced to add casualty because fire insurance had reached a high percentage of saturation and fireproof construction had cut the average premium drastically. Today, says the writer, casualty insurance such as automobile has reached a similar stalemated condition when total figures are taken into account.

### Buyer Grateful to Agent

He goes on to say that people shop for casualty and fire insurance in much the same way they shop for groceries and that when a man trades at a certain grocery regularly he feels he is doing the grocer a favor. No right thinking agent wishes to accept favors or gratuities. However, people still have to be sold life insurance. Having grasped the big idea of how it helps them answer most of their economic problems, their natural reaction is gratitude to the agent who delivered the message.

There are other factors which add up overwhelmingly to the conclusion that the casualty man should add life to his kit, he says. Life insurance not only provides the casualty man the means to prepare the prospect's mind but if used consistently and exclusively for approaches to new prospects, will produce more casualty insurance indirectly than was ever produced in the past by direct methods.

This agent's conclusion is that if the casualty man, with his many natural contacts, does not in the near future add life insurance to his services, he is not only missing a good bet but flirting with economic chaos.

### Arguments on Both Sides

The points which this letter brings up are controversial and have evoked considerable discussion on both sides of the matter by both company men and agents. Of course, the opinion usually reflects

the company affiliation and position of the men. There are a number of agents, for instance, who agree wholeheartedly with the writer of the letter. As one of them said, the local agent may not know too much about life insurance, but he has the necessary contacts. By taking a little time and trouble to learn the field with the help of a company field man, there is no reason why he couldn't become a responsible life agent. It is pointed out, too, that it is always much easier to sell a new line to an old customer than to sell an old line to a new customer, an axiom which is predicated upon the confidence which is built up between the customer and the agent who has handled his insurance over a period of years.

### Life Men Oppose Move

The majority of life insurance men, regardless of position, seem to maintain that any concerted move by general insurance agents to enter the life field would result in setting the business back a good many years. They maintain that this is an age of specialization and that the life insurance salesman is a specialist who must devote his full time to life insurance if his customers are to receive counsel. They say that life insurance is too involved a field to be mastered by a man who does not have his full time to devote to learning the business and keeping up with it once he has learned it. They assert that the better informed agents are the best salesmen and that 75% of all business is done by some 25% of the salesmen, these men being the really well informed agents. They say that the profession of selling life insurance has reached a new position of esteem and competence. This is because most of the so-called borderline agents who dabble in life insurance as mere policy peddlers have been weeded out. They fear that the selling of life insurance by general insurance men along with all other forms would lower the public's opinion of life insurance and rob the customers of the counsel and integrity to which they are entitled in a life agent.

In the middle position are certain company men, both life and casualty, who feel that the appointment of local agents to handle life insurance is a matter which defies blanket consideration. They are of the opinion that each agency and

agent should be studied on the basis of individual merit. They grant that a certain percentage of men who are successful at selling fire and casualty insurance would be utterly lost when they try to switch to the more intangible practice of selling life insurance ideas. They agree that life insurance is a complex field which cannot be mastered without considerable study and training and that to foist agents with a smattering of life insurance knowledge upon the public would be a serious mistake. Still they say that agents of the proper calibre can sell all types of insurance with great benefit to themselves and the general public.

There is no question that the addition of life insurance would boost the sales of many local agencies and the commissions of individual salesmen. There is no question that many agents, particularly in smaller communities, could use the income and incentive provided by success in the life field and thus avoid the paralysis of discouragement from lack of sales.

### Live Prospects Found in File of Policyholders

One of the company specialty men who is decidedly sales minded, a great student of salesmanship and its application to insurance maintains that every insurance salesman has some very profitable prospects among his own policyholders. He thinks that salesmen have not canvassed their own policyholders for lines of insurance that they need, where they are underinsured in some of the kinds they have bought.

"Go to your expiration lists, study your surveys and you will find that there is a gold mine in that material," he said. The other day in Chicago he was asked to address the brokers of a large office on the mercantile U. & O. form. He explained use and occupancy and its value, its ramifications, best way to make approaches, etc. Since that time he has had almost daily appeals from brokers for assistance in closing U. & O. insurance. The main factor, he said, in his line is that the salesman should thoroughly understand what he is talking about, should present it in a businesslike way and in a plain manner.

The speaker emphasized the fact that agents often overlook the smaller and medium sized risks. They have their eyes set on the big fellows. This is particularly true when it comes to use and occupancy, riot and civil commotion and the like. As a matter of fact, he pointed out that the large risks have been very well solicited and that the line of least

## Newspapers Bond Prospect Source

Newspaper legal notices can prove a fruitful source of bonding prospects, an article in Travelers "Protection" points out.

To support this advice, a member of the home office staff of the Travelers scanned legal notices in one of the Hartford papers for a week and clipped those which indicated the need for contract bonds. At the end of the week he had six clippings.

One was an invitation to bid for proposals for making borings at the Hogback Dam site. In the fifth paragraph it said: "A satisfactory surety bond, as stated in the information for bidding for the total amount bid will be required of the successful bidder."

The second called for three bids: Repairs and replacements to septic tanks, steel frame and doors; installation of screens at state hospitals; painting of exterior of two buildings at a state boys school. These called for payment and performance bonds not less than 100% of the contract price.

The third called for sealed proposals for the construction of a fire house and garage including plumbing, heating and electrical work. This required the successful bidder to furnish a surety bond equal to 50% of the contract price.

The fourth was for filling in a conduit at relaying drain. It stipulated that each bidder must file a certified check of a bid bond for 10% of his total bid with his proposal and stated that the successful bidder would be required to furnish a performance bond.

The fifth instance invited bids for painting, laying of pavement and alterations and additions to a refrigeration plant. Performance and payment bonds had to be furnished by the successful bidders for each of these.

The sixth was for the furnishing of cast iron pipes and fittings. It also required the successful bidder to furnish satisfactory surety bond for the total amount of the bid.

Now that building operations are expanding, the number of bonds required will increase. The legal notices in the daily newspaper give the agent advance notice as to what projects are on the fire.

resistance is in the lower bracket. He said there are hundreds of smaller businesses that do not carry use and occupancy and other lines of insurance which they should.

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## Advocates Stricter Standards for Self-Insurers

### N. Y. Department Man Says Deposits Should Comport with Insurance Principles

NEW YORK—Stricter standards for self-insurers in the workmen's compensation field were advocated by C. M. Graham, the New York department's chief examiner in the self-insurance division, in his talk before the recent annual meeting of the Self-Insurers Association.

Mr. Graham said he could see no reason why the deposits required by law as "satisfactory proof of financial responsibility" should not be calculated on the basis of formulas developed in accordance with sound insurance principles. He said the deposits required of self-insurers should parallel, though not necessarily be limited to, the premium charges required by insurance carriers for coverage under a participating plan and should also parallel the financial requirements of the insurance department for casualty companies.

#### No Pooling of Risks

A self-insurer, in effect, is a workmen's compensation insurance carrier on the participating plan with the important exception that, as the self-insurer is a unit unto himself, there is no pooling of risks as there is in the case of an insurance carrier. Thus, it is all the more important that the financial ability mentioned in the law be unquestionably guaranteed not only by security deposits to cover normal hazards but also by definite provision to cover the hazard of catastrophe no matter how slight this hazard may seem.

Mr. Graham expressed the belief that the requirements should be calculated as follows:

1. Security deposits shall cover all outstanding claims valued on a conservative basis.

2. Deposits should include a claim contingency reserve to cover possible underestimation, claims reported late, and reopened cases. Factors should be developed on the basis of each self-insurer rather than a flat loading for all self-insurers as has been done in the past. Steps have already been taken leading to such a program.

#### Exposure Provision

3. The requirement occasioning the most controversy in the past is the one providing that the deposit shall include an exposure provision approximately equal to one year's premium in the State Insurance Fund. It seems reasonable to require that the deposit should cover expected claims arising out of current operations. All insurance carriers require deposit premiums and where these premiums are estimated on the basis of less than one year's operations the insurers collect additional premiums periodically based on interim audits of assured's actual payroll expenditures, holding the deposit to cover future unaudited periods.

This portion of the security deposit should be subject to formula treatment according to the following method: (a) apply standard company manual rate to the payrolls of each self-insurer for the latest annual period available to produce an estimated annual pre-

(CONTINUED ON PAGE 24)

## All-Industry Committee's Casualty Bill Given

The model casualty-surety rating bill, as conceived by the all-industry committee after months of study, is released this week. It differs in several respects from the bill that was drawn early this year by the Association of Casualty & Surety Executives and National Association of Mutual Casualty Companies, and that was the basis for legislation in Tennessee and two or three other states.

The new recommended bill was altered at some points to conform to certain ideas that the insurance commissioners have insisted upon and also to make the legislation more palatable to the independent companies.

For instance, in the latter connection the deviation section is more flexible than that in the earlier model bill and the requirements as to furnishing statistical information are made more workable for the independents. It is made clear that the statistical plan that is required shall be that which conforms to the rate filings as made by the interested insurer or rating bureau. The independents feared that under the originally proposed rating legislation they would be required to file experience according to a pattern that did not correspond to their actual operations. Also the "purpose clause" was inserted principally at the instance of the independents.

However, the industry group holds firm in insisting upon a positive rather than a negative standard for judging rates. The industry shibboleth is that the rates shall be "reasonable, adequate and not unfairly discriminatory." The commissioners' bill, as approved at the recent Grand Rapids meeting provides that the rates "shall not be excessive, inadequate, unfairly discriminatory or otherwise unreasonable." The latter is the language of the New York law.

#### Judicial Review Section

Also the industry insists upon a judicial review section that gives the insurers easier access to the courts in appealing decisions of the commissioners than is provided in the N.A.I.C. bill and also the industry bill gives the courts the privilege of taking a look-see for themselves at the evidence rather than being prevented from having a voice in the matter unless the insurance commissioner has been supremely cantankerous and ornery.

The text is given below except that sections that are identical to the all industry fire and marine rating bill, the text of which is also printed in this issue, are so indicated:

An Act relative to the regulation of rates for certain casualty insurance including fidelity, surety and guaranty bonds and for all other forms of motor vehicle insurance, and to the regulation of rating organizations.

Sec. 1—PURPOSE OF ACT.  
Same as fire bill.

Sec. 2—SCOPE OF ACT

This act applies to casualty insurance, including fidelity, surety and guaranty bonds, and to all other forms of motor vehicle insurance, on risks or operations in the state, except reinsurance, accident and health insurance, against loss of or damage to, or against liability, other than workmen's compensation and employer's liability, arising out of the ownership, maintenance or use of, any aircraft and insurance against [list any other kinds of insurance to which act does not apply].

If any kind of insurance, subdivision or combination thereof, or type of coverage, subject to this act, is also subject to regulation by another rate regulatory act of this state, an insurer to which both acts are otherwise applicable shall file with the [commissioner of insurance], hereinafter referred to as [commissioner], a designation as to which rate regulatory act shall be applicable

to it with respect to such kind of insurance, subdivision or combination thereof, or type of coverage.

#### Sec. 3—MAKING OF RATES

(a) All rates shall be made in accordance with the following provisions:

1. Due consideration shall be given to past and prospective loss experience within and outside the state, to catastrophe hazards, if any, to a reasonable margin for profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers, and to all other relevant factors within and outside the state;

2. The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or groups of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable;

3. Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both;

4. Rates shall be reasonable, adequate and not unfairly discriminatory.

(b) Except to the extent necessary to meet the provisions of subdivision 4 of subsection (a) of this section, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

#### Sec. 4—FILING OF RATES AND RATING INFORMATION

(a) Every insurer shall file with the [commissioner] every manual of classifications, rules and rates, every rating plan and every modification of any of the foregoing which it proposes to use. Every such filing shall state the effective date thereof, shall indicate the character and extent of the coverage contemplated and shall be accompanied by the information upon which the insurer supports the filing. A filing and supporting information shall be open to public inspection after the filing becomes effective.

(b) An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings, and by authorizing the [commissioner] to accept such filings on its behalf; provided, that nothing contained in this act shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization.

(c) Under such rules and regulations as he shall adopt the [commissioner] may, by written order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes of risks, the rates for which cannot practically be filed before they are used, or are not customarily made by rating bureaus. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The [commissioner] may make such examination as he may deem advisable to ascertain whether any rates affected by such order meet the standards set forth in subdivision 4 of subsection (a) of Section 3.

(d) A rate in excess of that provided by a filing otherwise applicable may be used on any specific risk with the written consent of the [commissioner] and the insured.

(e) Beginning 90 days after the effective date of this act no insurer shall make or issue a contract or policy except in accordance with filings made by or for said insurer as provided in this act or in accordance with subsection (c) of this section.

#### Sec. 5—DISAPPROVAL OF FILINGS; REMOVAL OF UNFAIR DISCRIMINATION

(CONTINUED ON PAGE 24)

## Estimate 20% Rise in Traffic Toll During Past Year

### Safety Council Predicts One Million Injured, 29,000 Dead in 1945

The nation's traffic toll for 1945 has been estimated by the National Safety Council at 29,000 dead and more than a million injured, almost 20% greater than in 1944.

The council based its estimate on figures for the first 11 months of the year and a projection for December which takes into account weather conditions and the mounting traffic toll since V-J Day. Actual December figures are not yet available.

The traffic toll went up 40% in November over the same month a year ago for a total of 3,230 deaths. While this wasn't quite as big as the October increase of 53%, it was bad enough to send the traffic death toll for the first 11 months of this year to 25,200, 18% above the same period last year.

#### Rural Deaths Increase

Reports to the council show that rural traffic deaths were approximately twice as great as urban deaths in each month of the post-war period. The same months of last year found rural and urban deaths almost equally divided.

Of 38 states reporting to the council, four had decreases, 33 had increases and one showed no change. For the 11-month period, three states reported decreases, 34 showed increases and one had no change.

The three states reporting improvement over the preceding year for the 11-month period are South Dakota 19%, Mississippi 2%, Georgia 1%.

#### Cities Report

Among 356 cities reporting in November, an increase of 35% in deaths was reported over the same month last year. Of these cities, 67 showed decreases, 124 had increases and 165 reported no change. For the 11-month period 124 cities had decreases, 176 reported increases and 56 showed no change from the corresponding period last year.

Even with the general rise in traffic deaths, 188 cities out of 356 reported perfect records in November. The largest was Syracuse, N. Y., with a population of 205,900. Second largest was Worcester, Mass. (population 193,500) and third largest was New Haven, Conn. (population 160,600).

For the 11-month period, 40 cities had perfect records. Evanston, Ill., was the largest, with a population of 65,400. Second largest was Medford, Mass. (63,000) and third largest was Lynchburg, Va. (44,000).

#### Chicago Branch Has Festivities

President Roy Tuchbreiter of Continental Casualty and a number of other home office executives attended the annual Christmas party of the Insurance Exchange branch office there. Henry Lustgarten, resident vice-president, was host. Sandwiches of turkey, ham, corned beef and other comestibles were served and a special room was devoted to the refreshments. The branch has been conducting these affairs for many years and they always draw many hundreds of guests.

## Texas Urged to Adopt W. C. Interstate Plan

### Insularity of Procedure Is Criticised at Hearing at Austin

Aside from the matter of rate revision, the principal subjects taken up at the recent hearing on workmen's compensation insurance by the Texas insurance department at Austin were employers liability, interstate writing and interstate rating.

Heretofore employers liability did not come under insurance department jurisdiction, but now does so, as of Dec. 1, under the new casualty rating law. The insurance business would like employers liability to be treated in Texas as it is in other states, so that it may be written in conjunction with workmen's compensation. Certain businesses, including farming and ranching, however, under the Texas compensation law, cannot elect to come under the workmen's compensation law.

### Interstate Operations

The insurance industry generally, except for the Texas Employers Association, would like to see Texas adopt interstate writing and rating of workmen's compensation. Previously separate policies have had to be written to cover Texas operations of outside concerns, and occasionally a Texas firm doing work in Arkansas or some other state would discover that it hadn't purchased compensation for out-of-Texas work. The Texas policy did not extend beyond Texas borders. For purposes of retrospective rating, experience credits, and the like also, insurance men would like to have interstate rating. Texas experience alone has been considered heretofore.

At the hearing J. M. Cahill, National Bureau of Casualty & Surety Underwriters, favored the adoption of interstate writing and interstate rating.

Mitchell D. Ragland of Paris, chairman of the casualty committee of the Texas Association of Insurance Agents, said his association favors the interstate procedure. Robert Maxwell of F. W. Offenhausser & Co., Texarkana, president Arkansas Association of Insurance Agents, described the confusion which arises in a city bordering two states when the agent finds it necessary to apply different rates on the same class and type of risk. He said the buyer finds it difficult to reconcile the different costs in the two states when conditions are practically identical.

Ben Mitchell, Texas Employers, asked the board to consider whether it has the legal authority to provide rates for interstate writing. Mr. Cahill stated that each state would have the privilege of applying its own manual rates.

### Pulpwood Premium

The suggestion that the classification basis for determining rates on pulpwood premium be changed from the payroll basis to a per cord basis was supported by Harold Oster and Stoddard Smith who contended that the only accurate records which are always obtainable are those kept by the mill company buying the pulpwood. They contended that pulpwood contractors keep no records and will not keep any which may be available to the insurance company. Consequently, the payroll plan presents such difficulties that it is impossible for the company to ar-

## Tells Use of Movies in Combating Claims

NEW YORK—Motion pictures used in denying unwarranted claims for workmen's compensation were exhibited for members of Risk Research Institute at the December meeting to show the use of this technique. The pictures, presented by Pinkerton's National Detective Agency, showed workmen who had been injured and were still claiming disability but were working at other jobs. The physical requirements of these jobs, as clearly shown in the films, were at variance with claims of continued disability, though there was no question about the men having previously been disabled. One showed a laborer clambering around on a high scaffold, handling heavy boards.

R. W. Schooley, manager of the agency's insurance department, said that courts have shown a much greater willingness to admit motion pictures as evidence during the last 10 years. It has been necessary to overcome great resistance in this respect, the judge's attitude frequently being to exclude films for any possible reason. A great many workmen's compensation commissioners will still not permit the use of movies as evidence, although the trend is in the direction of accepting them.

To establish the fact that the pictures were taken after the date of the injury a current newspaper is photographed on the same strip of film as the pictures of the claimant, although some courts will now accept oral testimony as to the date the pictures were taken. The newspaper establishes the date before which the pictures could not have been taken, while the film is available to show that it has not been spliced or otherwise tampered with.

R. E. Maginnis of American District Telegraph presented an illustrated discussion of central station services in loss prevention. This was a combined presentation of A.D.T. and Automatic Fire Alarm Co.

The powder fire extinguisher in action was presented in technicolor by the All-Out Distributors of New York. This device uses powder propelled by carbon dioxide.

C. G. Durfee of Pyrene Manufacturing Co. talked on the "first-aid" type of fire extinguisher, explaining its merits and limitations. He said it is important to understand what a first-aid type of extinguisher can and cannot do. He recommended practice in the use of such devices on fires built for the purposes.

### Miss Olson N. D. Speaker

Margaret E. Olson, North American Life & Casualty, Minneapolis, chairman of the women's division of the National association, will speak on prospecting at a statewide meeting of the North Dakota Association of Accident & Health Underwriters at Fargo Jan. 4. Orrie D. Olson, North American L. & C., Fargo, secretary of the North Dakota association, will be in charge of the program, which will be sponsored by Miss Esther Stow, representative of the woman's division for that state, who manages the Ayres Insurance Agency of Dickinson, N. D.

rive at the actual amount of premium due.

Stoddard Smith spoke in favor of placing tomato packing under the same code as fruit packing when not combined with vegetable packing because the hazards in tomato packing are of the same character as those in fruit packing.

Regarding the classification of plants engaged in the manufacture of prefabricated dwellings, those asking the creation of a classification of this type of risks stated that they are now classed as carpentry shops and that they have proven exceedingly hot.

## Must Justify Auto Risk Assignments in Ill.

Insurance Director Parkinson of Illinois has notified insurers of new rules and regulations governing the operation of the automobile assigned risk plan that became effective Jan. 1, at the same time that the stringent financial responsibility law became operative.

The old assigned risk plan in Illinois was for the benefit of certificated risks under the old financial responsibility law and for those subject to the compulsory truck insurance statute. The plan has now been expanded to meet the requirements of the new law. There is provision in the financial responsibility law itself for risk assignment.

Mr. Parkinson states that the assigned risk plan as amended Nov. 15, 1945, filed and subscribed to by every insurer authorized to write motor vehicle liability in the state is approved and adopted.

"No applicant entitled to insurance under the normal underwriting rules shall be included in the plan. Each insurer shall give careful non-discriminatory consideration to applications received for auto liability insurance, and make certain no application is rejected without due cause. Applicants of all races and colors shall be considered under the same non-discriminatory underwriting rules. Every applicant holding an operator's license regardless of age or physical condition shall be accepted without reference to the assigned risk plan unless it has been affirmatively demonstrated that operation of a motor vehicle by the applicant would constitute a public hazard greater than that covered by the established underwriting practice of the company.

"In every instance the insurer shall be prepared to report confidentially to the governing committee of the plan the specific cause for which the application has been rejected."

## Insurers Indemnity Has Not Made Final Decision to Move Out of Oklahoma

President Shelby H. Green of Insurers Indemnity of Tulsa states that there are no definite plans on the part of the management to move the company to Dallas or to any other city. He contradicts the statement that was made in the Dec. 20 edition that Insurers Indemnity had decided to move out of the state because of the adverse premium tax situation in Oklahoma.

Mr. Green states that by reason of the Oklahoma taxes, Insurers Indemnity is engaged in making a study of the tax laws of a number of southwestern states but no definite plans to move the company have been made.

As a matter of fact, he states, if it were found that the tax laws of some other southwestern state were more advantageous, Insurers Indemnity would be unable to move because of lack of office space, housing facilities for personnel and replacement of trained personnel who would not make the move.

### Extend Wis. Assigned Risk Plan

MILWAUKEE—The Wisconsin automobile assigned risk plan, organized several years ago to handle financial responsibility risks, has been extended to include all risks that are unable to obtain coverage through the regular channels and who are morally entitled to coverage. All other rules and regulations previously in effect remain unchanged, according to George F. Haydon, general manager of the Wisconsin Compensation Rating & Inspection Bureau, under whose jurisdiction the assigned risk plan has been operating. The status of the major disability risks remains unchanged. Three declinations are still necessary and such declinations must be signed.

## Ky. Mine Disaster Revives Issue of Compensation Laws

### Mandatory Act Cannot Be Debated Until 1949 Under State Rule

LOUISVILLE—Following the disastrous coal mine explosion at the plant of the Kentucky Straight Creek Coal Co. at Four-Mile, near Pineville, Ky., in which 31 men were trapped 2½ miles back in the working, eight of whom were rescued alive, has centered public attention that workmen's compensation is not mandatory in Kentucky and that the Straight Creek mine was one of some 73 railroad mines in the state out of a total of 287 where survivors of miners killed in catastrophes are compelled to resort to the courts in suits against operators for compensatory damages.

Figures worked out at Frankfort showed that 214 large mines in the state are covered by the act and dependents of those killed may draw \$12 a week for 400 weeks, \$150 for funeral expenses and up to \$400 for medical expenses in at least certain cases. For this protection the operators with a payroll of less than \$30,000 a year pay \$6.07 per \$100 of payroll, while those with payrolls of more than \$30,000 a year, pay \$5.06 per \$100.

It was stated that the 73 unprotected rail mines are 25% of all rail mines in the state. In addition to the rail mines there are 1,287 small mines, known as truck mines. No check was made on the truck mines.

Organized coal mining labor has fought for compliance with the workmen's compensation act since it was inaugurated in 1914, but has been blocked—first by the Kentucky court of appeals holding unconstitutional a legislative act making compliance compulsory. The second block was the defeat in 1943 of an amendment to the constitution providing for mandatory compliance.

A series of coal mine disasters in the 1930's, and a 10-year average of 147 deaths a year in coal mine accidents and disasters, created sentiment which resulted in the 1942 legislature for a corrective amendment and defeat of the amendment means that it can not be brought onto a ballot again until 1949 under Kentucky law.

Commissioner of Industrial Relations L. C. Willis has called for a conference at Frankfort, Jan. 16 of labor representatives and insurance interests to see what can be worked out to liberalize benefits, extend coverage and strengthen the present act through action by the 1946 meeting of the legislature. A previous conference on the subject was held in Louisville a month ago.

It was reported that in 1944 mine accidents caused 157 deaths with 16% of these miners working in mines which do not comply with the workmen's compensation act. It is claimed that there is a minimum of 25 deaths yearly under which survivors of those killed must seek compensation under common law.

Paul Woodall, secretary of the workmen's compensation board, held that most of the mines not under the act are weak financially and do not maintain the best of safety conditions in their plant and the weaker the company the less chance the survivors have to collect, which also means the proportion of deaths in unprotected mines is greater than the minimum would indicate. The all time high in Kentucky was 1929

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when 197 men were killed, while 1930 showed 183 deaths. Only in 1933 and 1938 were the total deaths under 100.

There have been numerous charges made in connection with the present disaster, such as the mine being gassy, poorly ventilated, and lax in safety, but some of the mine inspection reports would show that the mine was in very fair shape and had been operating with an excellent safety record. Such charges are generally made by organized labor and others with an axe to grind immediately after any controversy, but generally such claims are not substantiated.

The Straight Creek mine is one of the oldest in southeastern Kentucky. A mine with workings 2½ miles back from entry and without other outlets is dangerous to work and it is difficult to reach workers in event of explosion and fire.

### Employers Group Gives 12½% Raise Under \$5,000

An increase in the base salaries of all full-time employees who were with the companies on July 1, 1945, other than officers and directors, has been made by Employers' group. The increase is retroactive to Dec. 1.

Employees earning less than \$5,000 who were in the companies on July 1 and still in the employ on Dec. 20 are receiving an increase at the rate of 12½% in base salaries, exclusive of the cost-of-living allowance, overtime, etc. The minimum increase is \$150, and the maximum, \$350 a year.

Employees who on Dec. 1 were receiving \$5,000 or more are getting a 5% increase as of that date, subject to the conditions provided for those paid less than \$5,000.

The 7½% cost-of-living allowance on the first \$2,500 of the base salaries under \$5,000 has been discontinued.

Special provision has been made for a similar increase for veterans who have returned since July 1.

### Broaden Air Accident to Include Foreign Airlines on Worldwide Basis

The aviation underwriting groups and individual companies have begun a broadening of their basic accident coverage to include travel anywhere in the world on any foreign civilian airline operating under proper authority. Until now flight has been permitted only on United States airlines anywhere in the world or on foreign airlines in this hemisphere and between the United States and Europe.

Aero and Associated Aviation have announced this extension of coverage without any increase of rates. It is understood that Continental Casualty will go even farther.

The extension is subject to approval by the various state departments, but it is believed there will be no difficulty.

In addition to the \$1.20 rate on accident, the \$1 rate on group accident and employers accident indemnity will prevail on the new forms.

Indemnity of North America this week formally announced the inclusion of world wide protection on air line passengers instead of restricting it to U. S. lines and specified lines in South America and Canada. Also Indemnity gives world wide cover on its policy selling for \$3 per \$1,000 for passengers on commercial air lines, military air lines and licensed private aircraft, and on its \$2.50 policy which eliminates planes owned by the insured or members of his household, and planes owned by his employer.

### Insurance Innuendo Held Grounds for New Trial in Ill.

Innuendo about an insurance company as a party to personal injury liti-

## Auto Insurance Snafu in Va.

RICHMOND—Companies and agents in Virginia are deluged with detail work in connection with automobile insurance because of a ruling of the Virginia corporation commission, the effect of which is to give a rebate to all motorists entitled to A-1 classification, whose policies have been effective on and after Nov. 15.

The commission approved the A-1, A and B classification plan for automobile casualty insurance effective Jan. 1.

Shortly after gas rationing was removed, the commission ordered the companies to cease applying rates that were keyed to the gasoline rationing card of the motorist. A single rate was established for all private passenger cars and at first the commission turned down the mileage classification plan that the companies desired. However, the companies at a second hearing convinced the commission of the desirability of this plan and it was approved for use commencing Jan. 1.

However, prior to the time the classification plan was approved, many policies had been written up in advance and sent to assured. Then along came the announcement that the classification plan was to be used. A great many assured then simply refrained from paying the premium for which they had been billed, even though there was danger of the policy lapsing for non-payment. One of the companies sent out a flyer to its assured, urging them to pay the premium so as to keep their insurance in force, and submit a statement that would enable the company to determine whether they were entitled to an endorsement and a lower rate. The situation was particularly difficult because the new financial responsibility law of Virginia went into effect Jan. 1, 1945 and there is a very large concentration of business during the last two weeks of December and the first two weeks of January.

Under the classification plan the B rates are 22% higher than the single tariff that had been in effect since the end of gas rationing. There is no provision in the corporation commission's order whereunder the companies may go back and collect the extra rate from such motorists. The A rate is virtually the same as the single standard, being from 30 to 60c lower. The A-1 rate is, of course, considerably below the single standard and it is these customers that agents and companies will be hearing from.

The classification rates were pitched at a level to produce for the insurer the same premium per 1,000 cars insured as would have been produced under a single rate.

With Virginia approving the classification plan, Texas and New Hampshire are the only states remaining in which this mileage rating program is not in effect. There is some hope that Texas may join the bandwagon.

gation was held to be grounds for a new trial by the Illinois appellate court in Chicago in the case of Helm vs. Kaplan.

The plaintiff's lawyer, in his final plea to the jury, characterized his professional witness as a physician for a railroad and for two insurance companies. In his next sentence he said, "I went into defendants' field to find a man who would make a true examination..."

Applying the rule that reference to an insurance company as the real party liable on any verdict is reversible error, the appellate court held that the inference that an insurance company was defending the claim in Helm vs. Kaplan was in itself grounds for a new trial.

The verdict in the lower court was for \$2,000, with the claim arising from an alleged automobile accident. Clarence Dunagan represented the claimant and John J. Yowell, of the firm of Hummer, VanNess & Yowell, represented the defendant.

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Pennsylvania Casualty Company  
A multi-line stock company  
Baltimore

## ACCIDENT AND HEALTH

### H. & A. Conference Committees Named

R. J. Wetterlund, Washington National, president Health & Accident Underwriters Conference, has announced his new committee appointments. A special committee on regulatory legislation has been added to the list. It is composed of V. J. Skutt, Mutual Benefit Health & Accident; F. L. Harrington, Massachusetts Protective; C. O. Pauley, Great Northern Life; G. F. Manzelmann, North American Accident; Chase Smith, Lumbermen's Mutual Casualty; Henry Moser, Sterling; F. M. Walters, General Accident, with President Wetterlund and Harold R. Gordon, managing director of the conference, as ex-officio members.

A new setup has been adopted for the legislative committee, with one member designated to look after legislation in each state. In states where no company members are domiciled, the assignment is given to an official of a company in an adjacent state or which has special interest in that particular state.

Chairmen of the other committees are: Advisory, G. F. Manzelmann; agency management, G. A. L'Estrange, Wisconsin National Life; aviation, James E. Powell, Provident Life & Accident; blanks, R. R. Haffner, Business Men's Assurance; claim blanks, George W. Young, Inter-State Business Men's; convention, J. W. Scherr, Jr., Inter-Ocean Casualty; education, D. C. MacEwen, Occidental Life; finance, A. D. Johnson, United of Chicago; franchise, S. S. Yaudes, Time; group, C. R. Cleaver, United Pacific; home office management, Miss G. P. Edwards, Illinois Mutual Casualty; hospital insurance, I. A.

Weaver, Secured Casualty; insurance departments, Dr. Neil L. Criss, United Benefit Life; legal, John Panchuk, Federal Life & Casualty; manual, G. T. Delahunty, Alliance Life; medical insurance, H. E. Curry, State Farm Life; membership, F. M. Walters, General Accident; memorials, J. J. Helby, Federal Casualty; non-cancellable, S. F. Conrod, Loyal Protective Life; planning, O. F. Davis, Illinois Bankers Life; press, D. J. Wellenkamp, Washington National; public relations, C. W. Young, Monarch Life; social security, E. A. McCord, Illinois Mutual Casualty; special risks, T. Loyal Anderson, Federal Life; surgical schedule, W. C. Butterfield, National Casualty; taxation, Charles R. Holton, Great Northern Life; underwriting, W. I. Newton, Craftsman.

The annual meeting of the conference has been set for May 20-22 at the Netherland Plaza Hotel, Cincinnati.

### Reserve Insurance Co. Plans Expansion

Reserve Insurance Co., new stock insurer awaiting license to write A. & H. in Illinois, will seek to expand its operation into several other mid-western states, according to Fred E. Law, president. Also president of Reserve Mutual Casualty, Mr. Law says that the mutual will cease operations as soon as the stock company is licensed. A reinsurance treaty has been prepared under which Reserve Mutual Casualty reinsures its assets and liabilities with Reserve Insurance Co.

Marion J. Law, secretary-treasurer of the new company, will be in charge of production and is building up a sales force considerably larger than the mutual company had. The company re-

cently moved its office from 30 North La Salle street to 135 South La Salle, Chicago.

### North American's Conference

North American Accident has made tentative arrangements for holding its midwest-western conference of agents at Estes Park, Colo., the week-end starting June 8.

### Good Enrollment at Purdue

A good enrollment is reported for the current accident and health course at Purdue University, which started Dec. 31. R. J. Costigan, Business Men's Assurance, Kansas City, president National Association of Accident & Health Underwriters, addressed the opening session. Harold R. Gordon, managing director Health & Accident Underwriters Conference, is to speak Jan. 4. A new feature for this session is a school for general agents and home office representatives on recruiting and advertising on the closing day, Jan. 5.

Other courses are scheduled to start March 4 and June 3. There will also be courses in October and December, the dates for which have not been definitely set as yet.

### Ruling on Student Insurance

LOS ANGELES—Attorney General Kenny holds that California school districts may insure students against accidents on sponsored athletic field trips but not on scholastic trips. However, insurance may cover the students while they are being transported by the district to and from the "school or other place of instruction."

### L. A. Claim Association Elects

The Los Angeles Life & Accident Claim Association has elected George Westman, Prudential, president; Hart W. Reeves, London & Lancashire Indemnity, vice-president; Farrell W. Rodgers, Occidental Life, secretary-treasurer. On the executive committee are Carlos Castelazo, Unity Mutual Life & Accident; Earl G. Sawyer, Benefit Association of Railway Employees and Paul Van Deusen, Massachusetts Indemnity. Larry G. Burford, Pacific Mutual Life, is the retiring president.

North American Assurance of Richmond, hospitalization insurer, has added E. B. Crow, Jr., vice-president Branch Banking & Trust Company, Wilson, N. C., to its directorate.

Randy Moore of Los Angeles District No. 1, Unity Mutual Life & Accident, has been promoted to assistant manager in San Diego. He has been with the company since 1941, except for time in the services.

## COMPENSATION

### Minnesota Gets 2% Cut, Instead of Requested Raise

ST. PAUL—The Minnesota compensation insurance board has issued an order reducing rates around 2% in 1946 instead of increasing them as asked by the rating bureau.

The bureau had asked for a 3.2% increase on a 61-39% basis which the companies figured was necessary to take care of increased benefits enacted by the last legislature. The law increased minimum benefits from \$8 to \$10 per week and maximum from \$20 to \$24. They have been in effect since last April 19.

Last spring the companies petitioned for a 7.4% increase but the compensation board rejected this proposal on the ground that there was at that time no

### Twin City Club Names Eliason as President

Conrad J. Eliason, Monarch Life, Minneapolis, has been elected president of the Twin City Accident & Health Club. Vice-presidents are James A. Hoff, Mutual Benefit H. & A., Minneapolis; Floyd Matthey, North American Life & Casualty, St. Paul, and John Thomas, St. Paul Life & Casualty; secretary-treasurer, M. C. Laughman, North American Life & Casualty, Minneapolis.



C. J. Eliason

Harvey E. Thompson, Washington National, Minneapolis, retiring president, becomes chairman of the executive committee. Other members are V. E. McCollum, Massachusetts Protective; A. H. Nelson, Business Men's Assurance; E. J. LeClair, North American L. & C.; A. A. Altermatt, Monarch Life, and George Michal, Mutual Benefit H. & A.

experience under the increased benefits to justify the increase. This fall they renewed the request but asked only for a 3.2% raise. However, several employer groups opposed the increase, the first the companies have sought in eight years.

The companies have the right to appeal from the order of the board but so far there has been no indication that they will do so. The bureau got busy at once calculating rates in accordance with the board's findings. These are ex-



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Irving of accident Commercial Casualty quarters secretary ly he has been years and for the p

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ected to be in the mail within a few days.

Members of the board are Commissioner Johnson, Arthur Stewart, state industrial commission, and P. J. O'Connor, secretary compensation board. Their decision was unanimous but it is understood Mr. O'Connor held out for a greater decrease.

## CHANGES

### Colyer to Royal as N. Y. Bonding Superintendent

Royal Indemnity has appointed Donald H. Colyer as superintendent of the bonding department in its New York metropolitan office. He succeeds B. E. Joline, who has been promoted to assistant manager of the head office bonding department of the Eagle, Globe and Royal Indemnity.

Mr. Colyer was recently discharged from the navy, in which he has served for the past three years, principally in the southwest Pacific. Prior to the war he had served as special agent for Fidelity & Deposit and later was assistant manager of Travelers Indemnity at Newark. Earlier in his career Mr. Colyer spent several years in the agency field.

### Two Changes Made in Kemper Organization

Two new organizational changes have been made by James S. Kemper & Co. John T. Coll, now agency supervisor for Lumbermen's Mutual Casualty and American Motorists, will assume new duties as manager of the Buffalo office.

An audit and survey department has been established under the management of James E. Leshner, now in charge of the Allentown office.

### I. G. Wessman Is Now Loyalty Group Secretary

Irving G. Wessman, who is in charge of accident and health operations for Commercial Casualty and Metropolitan Casualty in the middlewest with headquarters at Chicago, has been appointed secretary of those companies. Previously he has been assistant secretary. He has been with the organization many years and has been located at Chicago for the past two years.

### Named Chief Accountant for Aetna Fire Companies

Ragnar E. Anderson has been appointed chief accountant of Century Indemnity and Standard Surety & Casualty of New York. He succeeds Assistant Secretary Frank W. Stickels, who will devote his entire time to the business.

#### AVAILABLE

Man of 41 with 13 years of Casualty Insurance production, underwriting and statistical experience and actuarial background, qualified for "trouble shooting" executive assistants position or the supervision of production, underwriting and adjustment of large multiple-line risks on overall retrospective rating basis. Minimum salary \$500 per month. Address E-27, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

#### WANTED

Qualified Fieldmen with successful record for Florida, Georgia or Alabama. Submit application with complete details to Leslie H. Erickson, Vice President, American Casualty Company, Reading, Pa.

#### AVAILABLE

Energetic man with eighteen years casualty experience including supervision of production, underwriting and agency development seeks post of responsibility as branch manager or home office executive. Law education. Business trained. Age 42. Family. Prefer southwest or west. Address E-31, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ness administration department of the Aetna fire group.

Mr. Anderson joined Century Indemnity in 1927 after a short time in the accounts department of Aetna Fire. A native of Hartford, he has been associated for 18 years with the agency accounting and payroll audit departments which now come under his supervision.

### Rooney Named Secretary of Two Newark Companies

John B. Rooney has been named secretary of Metropolitan and Commercial Casualty in charge of the Newark branch office.

He entered the business in 1917 as office boy at Newark for the Commercial Casualty's branch, a position which he held for three years, when he was advanced to the cashier's department at the home office. After five years he was promoted to the renewal department as superintendent, and later became counter supervisor of underwriting at the branch office, then special agent in New Jersey.

Mr. Rooney in 1937 was an assemblyman in the New Jersey legislature from Essex county, and was chairman of the insurance committee.

In 1939 he was advanced to assistant secretary of Commercial Casualty and Metropolitan Casualty.

### Employers Group Makes Claim Department Changes

William E. Vaughan has been promoted to assistant superintendent of the United States claim department of the Employers group, a position he held from May 1, 1938, until he became superintendent of the New England claim department in April, 1941.

Eugene W. Driscoll has been promoted to superintendent of the New England claim department. Promoted to serve as assistant superintendents of the New England claim department are Robert J. Huddy, Alfred F. Smith, William A. Robinson and Paul J. Markey.

### Newcomb Acting Manager

C. L. Newcomb, Jr., has been named acting manager of the San Francisco branch of Accident & Casualty following the resignation of Wesley G. Cannon. Mr. Newcomb had been assistant to Mr. Cannon.

### Bishop Back in Indianapolis

Com. Stuart A. Bishop has been released from active duty in the navy and has returned to Travelers in Indianapolis as manager. His promotion to commander was announced as he retired from active duty. He served as naval liaison officer for selective service in Indiana and other central western states and also saw service in the southwest Pacific and Panama and as commanding officer of the Casco Bay naval receiving station, Portland, Me.

### Travelers Los Angeles Shifts

Courtland C. Kennedy has been promoted to assistant manager of the casualty department of Travelers in Los Angeles. Lewis J. Kribs has been transferred to the agency department as assistant manager. Theodore B. Mitchell succeeds Mr. Kribs as assistant cashier. Wendell C. Phillips is promoted to assistant cashier in charge of fidelity and surety bonding.

### Wesner Has New F. & D. Post

Maj. Lawrence E. Wesner is now with the Philadelphia office of Fidelity & Deposit and American Bonding. He will supervise commercial fidelity business.

Mr. Wesner was an underwriter in the fidelity department in the home office for five years prior to his enlistment in 1941. He was overseas in the inspector general's department.

He is a graduate of the University

of Illinois, and the law school of the University of Maryland.

### Standard Acc. Chicago Change

Miss Ann Shafran, automobile underwriter for the Chicago office of Standard Accident, has retired. She is replaced by Herbert McCaskey, who had been an auto underwriter with the company prior to his entry into the army in 1943. He received a battlefield promotion from sergeant to lieutenant for bravery in action in Europe.

### Bargar Named in Philadelphia

Pennsylvania Casualty has established a Philadelphia service office with H. H. Bargar as manager. Mr. Bargar has been in the business 19 years, having been superintendent of agencies of Eureka Casualty for four years and prior to that eastern manager for Trinity Universal.

### Warmolts to Aetna Home Office

Ray S. Warmolts, supervising underwriter in the Milwaukee office of Aetna Casualty, has joined the executive underwriting department at the home office. H. Harold Kitzrow, for 10 years in the Milwaukee underwriting department before being transferred to Grand Rapids earlier this year, succeeds Mr.

Warmolts as supervising underwriter in Milwaukee.

### Gimber Promoted by F. & D.

Milton J. Gimber has been promoted to assistant manager of the Newark branch by Fidelity & Deposit. He has been with the Newark office since 1928 as a specialist in bank bonds and burglary coverages.

J. H. Leineke of Standard Accident's engineering department in San Francisco has resigned and will open a new local agency at Sacramento.

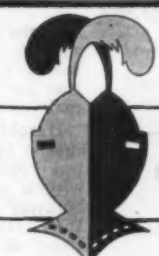
## SURETY

### Big Bond Possibility Is Seen in French R. R. Order

Surety men are interested in the possibilities of a very large performance bond, probably running over \$50 million on contracts by the French government for \$114 million worth of railroad freight cars.

It is understood that bids on the work have already been submitted, with bid bonds totaling \$11½ million.

Three railroad manufacturing com-



# LOOKING AHEAD


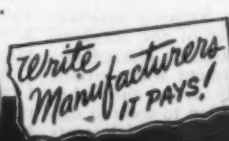
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panies are believed to be in line for the business. It has not been determined whether performance bonds will be required.

#### Butane Gas Bond Rates

Included in the Texas department's recent approval of Towner Rating Bureau filings are rates for bonds required of those engaged in the liquefied petroleum gas business.

For the \$2,000 bond required of all licensees the charge is \$10 per thousand per year on the penalty of the bond. For personal injury and property damage bond, for all licensees, including principals operating one vehicle for the transportation of liquefied petroleum gas or equipment the charge is \$15 per thousand on the maximum liability for personal injury. The annual minimum is \$150. For each vehicle in excess of one an additional premium must be charged. Where the principal does not carry compensation, the premium for personal injury and property damage is to be increased 25%.

#### Bond Award in St. Paul

ST. PAUL—Ohio Casualty has been awarded the contract for bonding 119 Ramsey county officials for an aggregate of nearly \$500,000. The premium was \$5,432. This was the first award under a new state law under which the county pays for the bonds of its officials. Previously all county officials except the treasurer and county commissioners had to pay for their own bonds.

## COMPANIES

### New Home Office Setup for Pennsylvania Cas.

PHILADELPHIA—E. C. Wareheim, president of Pennsylvania Casualty, has been named board chairman and H. L. Van Horn, formerly executive vice-president, becomes president. F. D. Cunningham has been elected vice-president and counsel and will continue to head the claims department. E. W. Dorsey has been elected assistant secretary and will act as assistant manager of the claims department.

W. F. Downey has been elected vice-president to head the underwriting department and A. R. Johnson has been elected secretary. E. E. Heaton has been elected corporate secretary.

Earle T. Redfield, formerly assistant secretary and manager of the burglary department, has been elected vice-president in charge of postwar agency development, including establishment of agency service in new territories. Pennsylvania Casualty plans to continue its drive to enlarge its facilities for writing multi-line casualty coverages, rather than the specialized lines formerly written.

W. deV. Washburn, formerly assistant secretary and manager of the accident-health department, has been elected secretary and the department will continue to operate separately from the other casualty lines. In addition to writing disability income insurance, especial stress on development of voluntary hospital-medical protection for individuals, families, and employment groups. H. C. Dodson, supervisor of underwriting and claims in the A. & H. department, has been made assistant secretary.

#### National Life, Okla., Sold

Reserve Loan Life of Dallas, has taken over and reinsured the \$34,000,000 business of National Life of Oklahoma City. E. B. Hume, secretary of Reserve Loan, announces.

With the exception of a collection office in Oklahoma City all the offices and business will be moved to Dallas.

About 40% of National Life's policyholders are Texas residents. The reinsurance transaction has been approved by Life Commissioner Butler of Texas and Commissioner Read of Oklahoma. W. T. O'Donohue is president of Reserve Loan.

The controlling stock (97%) was purchased for \$1,200,000 from H. B. Houghton, president, who founded National Life 14 years ago; his son, Leonard H. Houghton, secretary; Loyd Judd, vice-president; and C. R. Anthony, George Houghton, Virgil Browne, and H. P. Everest, directors.

Organized as an assessment company under the name of National Aid Life, the reinsured company was converted to a stock legal reserve basis in 1941 and the new name was adopted in 1944. It writes accident and health.

#### Carolina Casualty Enters Va.

Carolina Casualty has been admitted to Virginia to write accident and health, hospitalization, automobile liability and property damage, property damage other than automobile and workmen's compensation. The company now is licensed in Arkansas, North Carolina and South Carolina, Tennessee and Virginia.

Insurers Indemnity of Tulsa has been licensed in California.

## DEATHS

Amos A. Chapman, insurance manager for the Reynolds Metals Co., Richmond, Va., died at his home there. He was for many years with Liberty Mutual.

Harold W. Pripps, 56, assistant manager in Milwaukee of Fidelity & Deposit, was killed when his automobile collided with a gasoline truck on an ice rutted highway just north of Germantown, Wis. He was to speak before the West Bend Kiwanis Club, being lieutenant governor of the Milwaukee district. He was widely known in insurance circles, and was a past president of the Milwaukee Surety Underwriters Association.

### Stricter Standards for Self-Insurers

(CONTINUED FROM PAGE 19)

mium; (b) discount the result 15% to equal the state fund guaranteed advance discount presently allowed to special groups; (c) apply an experience modification based on a mathematical rating formula comparing the experience of the self-insurer with the expected experience underlying standard rates for the latest three annual periods available.

#### Credibility Factor

This rating method will be made possible by the filing of payment data analyzed by accident year and the combination of such data with the outstanding losses now reported and will contain a credibility factor measuring the dependability of the self-insurer's experience according to the size of the risk involved.

A word of caution is advisable, Mr. Graham warned. It must not be hastily concluded that the experience modification referred to will always be extremely favorable and will, therefore, act to reduce present deposits. Adverse experience may result in modifications which will increase deposits but if such be the case the self-insurer will know that his own poor experience is responsible.

The product of the three factors listed above will be subject to a 50% discount if the deposit is more than \$50,000.

Nothing in the foregoing refers to catastrophe losses but if catastrophe or excess insurance is required it will be unnecessary for self-insurers to hold catastrophe reserves in their financial statements and it also logically follows that should a self-insurer suffer a loss

which may be partly paid by the reinsuring company credit will be given in computing the amount of outstanding claims for the amount taken over by the reinsurer.

### All-Industry Committee's Casualty Bill Given

(CONTINUED FROM PAGE 19)

If at any time the [commissioner] finds that a filing does not meet the requirements of this act, he may, after a hearing held upon not less than \_\_\_\_\_ days' written notice, specifying the matters to be considered at such hearing, to every insurer and rating organization which made such filing, issue an order specifying in what respects he finds that such filing fails to meet the requirements of this act, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer on file. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order. However, if at any time the [commissioner] finds that an unfair discrimination exists in the application of a filing to an individual risk he may, after a hearing held on like notice to the insurer affected and to any rating organization which made such filing issue an order that such discrimination be removed. Copies of any such order shall be sent to every such insurer and rating organization.

#### Sec. 6—RATING ORGANIZATIONS

Virtually same as fire bill.

#### Sec. 7—DEVIATIONS

Virtually same as fire bill.

#### Sec. 8—APPEAL BY MINORITY

Any member of or subscriber to a rating organization may appeal to the [commissioner] from the decision of such rating organization in approving or rejecting any proposed change in or addition to the filings of such rating organization and the [commissioner] shall, after a hearing held upon not less than ten days' written notice to the appellant and to such rating organization, issue an order approving the decision of such rating organization or directing it to give further consideration to such proposal.

If such appeal is based upon the failure of the rating organization to make a filing on behalf of such member or subscriber which is based on a system of expense provisions which differs, in accordance with the right granted in subdivision 2 of subsection (a) of section 3, from the system of expense provisions included in a filing made by the rating organization, the [commissioner] shall, if he grants the appeal, order the rating organization to make the requested filing for use by the appellant. In deciding such appeal the [commissioner] shall apply the standards set forth in section 3.

#### Sec. 9—INFORMATION TO BE FURNISHED INSURED; HEARINGS AND APPEALS OF INSURED

Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within 30 days after it is made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within thirty days after written notice of such action, appeal to the [commissioner], who, after a hearing held upon not less than 10 days' written notice to the appellant and to such rating organization or insurer, may affirm or reverse such action.

#### Sec. 10—RATE ADMINISTRATION

(a) Recording and reporting of loss

and countrywide expense experience.

The [commissioner] shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least biennially in such form and detail as may be necessary to aid him in determining whether rating systems comply with the standards set forth in Section 3. In promulgating such rules and plans, the [commissioner] shall give due consideration to the rating systems on file with him and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it. The [commissioner] may designate one or more rating organizations or other agencies to assist him in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the [commissioner], to insurers and rating organizations.

(b) Interchange of rating plan data. Reasonable rules and plans may be promulgated by the [commissioner] for the interchange of loss experience necessary for the application of rating plans.

(c) Consultation with other states.

In order to further uniform administration of rating laws, the [commissioner] and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and may consult and cooperate with them with respect to rate making and the application of rating systems.

(d) Rules and regulations.

The [commissioner] may make reasonable rules and regulations necessary to effect the purposes of this act.

#### Sec. 11—FALSE OR MISLEADING INFORMATION

Same as fire bill.

#### Sec. 12—PENALTIES

Same as fire bill.

#### Sec. 13—HEARING PROCEDURE AND JUDICIAL REVIEW

Same as fire bill.

### Sullivan to ALC Editorial Post

Ernest V. Sullivan has resigned as educational director of Insurance Economics Society to join the staff of American Life Convention.

His duties will include editorial and publicity work formerly assigned to David F. Barrett, who will devote his entire time to his personal trade reporting and publicity service in St. Louis.

In 1920, after graduating from Cornell, Mr. Sullivan joined the editorial staff of the "Spectator." He was later advanced to assistant editor. In 1931, after a brief experience in the financial advertising field, he went with Mutual Life where he was associated with the house organs, sales promotional activities, and with the development of field educational programs. Since 1943, he has been with Insurance Economics Society. He wrote extensively, and for a great variety of publications, on matters pertaining to social security. He also edited a monthly review of social security developments.

Mr. Barrett since 1920 has operated Barrett's Service Bureau, a trade paper news and publicity bureau in St. Louis, and, for the past 19 years, except for a five year period, has devoted a part of each week to A.L.C. He has managed its publicity, particularly in connection with the annual and Medical Section meetings and the Life Officers Investment Seminar sessions. Since 1939, he has also been editor of the A.L.C. publications, "Fortnightly News Letter" and "Editoraid."

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## Responsibility Law Sales Activity Stimulating to Field Men and Agents

There is a large increase in automobile business in Illinois due to the new financial responsibility act which went into effect Jan. 1. Almost every insurance office made a campaign for new business, used advertising in papers and other publicity means. The people in general were cognizant of the new law and what it meant. In Chicago for instance the casualty offices could not get out the policies with their normal help. Hence it was necessary to seek outside offices that specialize in doing work of this kind. These offices are independent and are equipped to handle almost any sort of work in insurance when an office finds itself buried with demands and has not sufficient help to meet them.

### Field Men Get Busy

This campaign has had a stimulating effect on many local agents and field men, particularly those whose soliciting habits had been in moth balls during the war years. Companies assigned field men to conduct systematic sales canvasses with agents in cities and sections of the state where it was thought the risks that would be turned up would be acceptable to the underwriting department. Field men and local agents got in the sales rhythm, used up a lot of shoe leather, sold much automobile insurance and picked up considerable personal insurance by the way. These field men got close to their agents and caused the local man to put a high value on the soliciting assistance of the special agent.

Local agents, recently out of uniform, were able to get started again with a flourish by campaigning for auto insurance at this opportune time.

It is expected that much additional insurance will be sold on the strength of the new law during the next month or two, too.

Allstate has been writing many Illinois policies at Sears, Roebuck & Co. stores. Until last Saturday Allstate was able to fill all orders, but last Saturday all the customers could not be accommodated and the Sears, Roebuck stores were closed Monday.

## Plate Glass Strike Is Causing Shortage on Coasts

The strike in the plate glass industry, which is now 11 or 12 weeks old, has begun seriously to affect replacement supply on the east and west coasts. Midwest jobbers had large inventories on hand at the beginning of the strike and are still able to furnish glass in all sizes. However, only breaks of a serious nature are being attended to and repair of cracks and inconsequential damage is being held in abeyance.

On the west coast two of the largest wholesale dealers in Los Angeles have notified carriers of lack of stock and inability to fill orders for replacement. Price lists show an increase in cost and withdrawal of many sizes from the market. Retail dealers still have some sizes in stock in small amounts, but in the main when a loss occurs there is little chance of replacement.

The strike is being conducted in the Libby-Owens-Ford plant and the Pittsburgh Plate Glass Co., these two concerns manufacturing 90% of the plate glass in the country. The strike is believed to be tied up with the General Motors strike and it is expected that it will be settled as soon as a wage agreement is reached in the automobile industry. Automobiles need 60% of the glass manufactured.

If a settlement is not arrived at fairly soon, there may be a serious shortage throughout the country.

The All-Ohio Safety Congress has been postponed from April 16-18 to May 21-23.

## Travelers Adds to Field Staff

A number of additions and changes in the casualty field force of Travelers have been announced.

Edward P. McTiernan has been appointed assistant manager at Brooklyn and John D. Donnelly, field assistant at Boston after having been released from military service.

Mr. McTiernan served in the navy in the communication security unit. He saw duty in the Admiralty Islands, New Guinea, the Philippines and Borneo.

Mr. Donnelly was in the Italian campaign. He was a captain when released.

### Headquarters Changed

The headquarters of Jesse M. Robbins, assistant manager in Atlanta, have been changed to the Jackson building, Birmingham.

Seven men have been appointed field assistants. They include John F. Asquith, Syracuse; Beach M. Clark, Portland, Me.; Robert G. Eggleston, New Haven; Alcide Ethier, Montreal; David J. McCoo, New Orleans, and Edward W. Sunder, Jr., St. Louis. Charles C. Mish has been appointed surety field assistant at Detroit.

Mr. Asquith was a lieutenant in the anti-aircraft corps of the army.

Mr. Clark attended University of South Carolina and served in the navy five years, having the rank of ensign when discharged.

Mr. Eggleston was a second lieutenant. Mr. Ethier has had a varied background of business experience.

Mr. McCoo was associated with the OPA and prior to that was with Retail Credit Co.

Mr. Sunder was a captain in the army.

Mr. Mish also was released from the service with the rank of captain.

### Expect SS Hearings in February

WASHINGTON—Hearings on social security legislation are looked for by industry representatives here, by not later than February. Such hearings would be before the House ways and means committee, which is receiving a report of social security studies early in the new year from its study group headed by Comm. Leonard Calhoun, which is cleaning up its work early this month.

### To Hear Homicide Expert

At the meeting of the Chicago Claim Association Jan. 9 at the Electric Club, Lt. Philip H. Breitzke of the Chicago police department will discuss homicides and insurance claims.

### St. Louis Group's Slate

ST. LOUIS—George R. Schoen, assistant manager of Fidelity & Deposit, has been nominated for president of the Surety Underwriters Association of St. Louis.

Harold Gee, Commercial Casualty, is nominated for vice-president and C. J. Crockett, Maryland Casualty, for secretary-treasurer.

## Handles N. Y. Metropolitan for Royal Indemnity

Frank D. Gallaher, manager of the New York Metropolitan department of Royal Indemnity, has now taken over complete supervision of that department. Ellis H. Carson, vice-president, will re-



FRANK D. GALLAHER

turn to the home office for other executive duties to be announced later.

Mr. Gallaher started in the marine underwriting department of Royal in 1921 and transferred to casualty in 1924. He was metropolitan manager prior to entering the armed forces in 1942. After serving two years as lieutenant colonel in the fiscal division of the War Department as chief of the casualty insurance section of the insurance branch, he again resumed his insurance activities with Royal in 1945 as manager of the metropolitan department.

Harry Furz, who was the first treasurer of Globe Indemnity, and who re-

tired from active service 10 years ago, died at his home at Glen Ridge, N. J., at the age of 91.

He was born in Watford, England, and lived in that country and Canada until 1900 when he came to the United States.

### Secret Service Is Appreciative

A letter has been received from the Secret Service expressing thanks for a service performed by Association of Casualty & Surety Executives which will doubtless help in apprehending forgers of government checks.

David Q. Cohen, acting manager of the fidelity and surety department of the association, explained that the secret service had sought the aid of all member companies and their forgery assured in tracking down these criminals. He said that the association's campaign had provided the government with the services it asked for.

### Names Brundick & Bowles in Fla.

Fulton Fire has appointed Brundick & Bowles, Jacksonville, as Florida general agents.

Joseph H. Braun, general counsel of Chicago Motor Club, and Miss Belle R. Koplin are to be married Feb. 24. Mr. Braun has been a leader in preparing for the new Illinois financial responsibility law and he is a member of the Illinois commission to study the need for insurance law revision.

Joseph E. Duffey, 58, superintendent of the burglary department of London Guarantee & Accident at the 62 John Street office in New York, died suddenly from a stroke. He had been with London Guarantee 20 years.

Robert I. Nahaffay, 66, Tacoma, Wash., local agent, died at his home there. He started his agency 35 years ago. He was prominent in the Pierce County Agents Association.

## SUBURBAN CASUALTY COMPANY PIONEER FIRE INSURANCE CO.

EDWIN F. DEICKE  
President

"Suburban"  
Founded  
in  
1925



(Our Modern Home Office Building)

"Pioneer"  
Founded  
in  
1918

2 GOOD STOCK COMPANIES  
Worthy of the Highest Confidence

Home Office—Wheaton, Ill.

Chicago Office—100 W. Monroe Street

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### SPECIAL SERVICE DIVISION . . .

. . . for Inland Marine audits and inspections, bond and burglary loss audits and hospital malpractice surveys. We protect our clients from every possible insurance and tax contingency. "Bargain" rates for such services may imply a lack of quality.

### ATWELL VOGEL & STERLING, INC.

. . . have 24 years of experience in Casualty and Inland Marine Audit, Inspection and Engineering service.

Principal Offices: Main Office—40 John St., New York; 369 Pine St., San Francisco; Insurance Exchange, Chicago; 15 other offices and 30 other headquarters cities maintained to give service through the entire country.

# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Fronk Points with Pride to Wis. Accomplishments

MILWAUKEE—In a message to the Wisconsin Association of Insurance Agents, President Ben F. Fronk, Manitowoc, reviews with pride the "many accomplishments by our revitalized Wisconsin association, accomplishments that warrant the continued moral and financial support of every good insurance agent."

President Fronk points to the largest increase in membership of all the states in the N.A.I.A., the return of 12 local boards to Wisconsin association membership, the defeat of legislation that would have been detrimental to the local agent, the enactment of the Wisconsin safety responsibility automobile law, the defeat of the State Fire Fund in Sheboygan County, the holding of five record-breaking regional meetings and the state convention in Milwaukee, the employment of a full-time executive secretary who attended 38 meetings with local boards, and many other benefits.

### Schickedanz Employees Receive Christmas Bonus

Employees of the W. A. Schickedanz Agency, Belleville, Ill., received their customary Christmas bonus this year, computed on a basic allowance of two weeks salary plus any part of unused allowable vacation and disability leaves.

According to Mr. Schickedanz, the sales volume of the agency will run in excess of \$1,250,000 for 1945 and the total number of Illinois representatives has risen to 432.

The agency now occupies additional quarters with the policy writing department moved into the new location to make room for two of the firm's executives soon to leave the army, Raymond C. Kaegel, who is on Luzon, and Raymond W. Juenger, serving in India.

### To Study State Legislation

MINNEAPOLIS—A committee to study proposed laws for state regulation of insurance will be appointed soon by the Minnesota Association of Insurance Agents. President William Knudsen is now working on the makeup of this committee.

George Blomgren, executive secretary, will go to New York some time in January for a week's course of instruction under Frank C. Colridge, N.A.I.A. secretary. Before going east Mr. Blomgren will attend regional meetings at Fergus Falls on Jan. 8 and Virginia on Jan. 10, where the Park Regional and the Range associations will hear the bank and agency auto plan presented. The local board at Hibbing, Minn., will also have the plan explained. Bankers will be invited to all three meetings.

### Second Wichita Airport Loss

WICHITA—The Wilson airport, 10 miles east of Wichita, suffered two total losses to hangar buildings within 60 hours. The fire destroyed 15 planes, repair parts and materials and shop equipment, with an insurance loss of more than \$60,000. Located beyond fire protection, the concrete block and frame structures burned within a few minutes. No planes in either structure were saved.

Two months ago the Municipal airport hangar near Wichita burned with a loss of more than \$300,000.

### Leach Joins Father's Agency

Arthur R. Leach has joined the agency of his father, Harry J. Leach, in Morris, Ill., as a solicitor. As yet it has not been decided whether to change the agency name and take the son in as a partner.

Arthur Leach is a graduate of Illinois Wesleyan University and the Aetna Casualty home office course in casualty, surety and fire. His wife has had insurance experience with Aetna Life, Hartford Fire and the Chicago Motor Club.

He served in the navy air corps in the Pacific theater, and has a brother, George, who is with the naval air corps stationed at Norman, Okla.

### Large Fire Loss in Ohio

ALLIANCE, O.—Estimates on the loss resulting from the burning of the Galanot Products building are over \$500,000, believed to be well covered by insurance. The building contained a large number of tools.

### Minn. Mutuals Meet Jan. 24-25

The annual meeting of the Minnesota Association of Mutual Insurance Companies will be held in St. Paul, Jan. 24-25.

### Change in Waterloo Agency

Richard Street has joined the Fred Tesmer Co. agency, Waterloo, Ia. The name will be changed to Tesmer & Street Co. He was with the Tesmer agency from 1940 to 1942 when he entered the army.

### Twin City Losses Set Record

MINNEAPOLIS—Fire losses in the Twin Cities in 1945 went well above \$3 million, according to records of the St. Paul and Minneapolis fire departments. A \$500,000 fire Christmas week pushed Minneapolis losses to a new all-time high of \$2,400,000 while St.

Paul's losses topped \$800,000, the heaviest in recent years.

### Schaeffer New Dayton Secretary

Bradley Schaeffer, an attorney, has succeeded John E. Olt as secretary of the Dayton Association of Insurance Agents. Mr. Olt has held the position seven years.

### NEWS BRIEFS

**Don C. Woodley**, for three years in the navy, and before that with Picton-Cavanaugh Co., Toledo, for several years, has become manager of the insurance department of the Reuben Realty Co., Toledo.

**Kenneth Scott** has returned from the navy and rejoined his father, F. J. Scott, president of the Emporia (Kan.) Insurers, in his agency there.

**J. J. Wilcox** of the McClure-Wilcox agency, Emporia, Kan., has returned following discharge from the army and relieves his wife, Mildred Wilcox, who carried on during his absence.

**Arthur R. Fisher, Jr.**, has been discharged from the army military government, with which he served in Europe for two years, and is now resuming active management of the Arthur R. Fisher agency in Cleveland.

**Sam Hoffman**, Sioux City local agent, is confined to the Mercy hospital there, as a result of a major operation.

**Kenneth W. Brown**, local agent at Jefferson, Ia., has received his discharge from the navy and resumed his work with the agency. His wife operated it during his absence.

**B. F. Wurster**, local agent at Lenox, Ia., has retired and will move to Denver.

**J. W. Beggs, Whiting, Ia.**, local agent, retired Jan. 1 and has sold his agency to Eugene E. Hopkins, Whiting banker.

Want direct-mail sales aids in accident and health? Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

## PACIFIC COAST AND MOUNTAIN

### Beery and Schafer Added to O'Rourke & Royer Staff

Sam N. Beery has been named production engineer for Colorado and Wyoming and Edward W. Schafer, chief casualty underwriter for O'Rourke & Royer, Inc., Denver. Don C. Collier has been transferred to Albuquerque as branch manager. O'Rourke & Royer has been appointed managing general agent of Boston for Colorado, Wyoming and New Mexico.

Mr. Beery is a graduate of the University of Wisconsin and was secretary-treasurer of the Cargill Fuel & Equipment Corp. of La Crosse, prior to entering insurance in 1933 with Fidelity & Casualty. From 1935 until 1942, he was district manager for Fidelity & Casualty in Colorado, Wyoming and New Mexico. Enlisting in the navy in 1942, he was recently discharged as a full lieutenant.

Mr. Schafer has been with Continental Casualty at Chicago. He attended the University of Minnesota and was connected with a general agency in that state from 1934 to 1941. In 1941 he joined Continental Casualty at Milwaukee.

### Rate Control to Be Asked in 1947 Utah Legislature

SALT LAKE CITY—The next Utah legislature, which convenes in January, 1947, will be asked to grant the insurance department power to fix and regulate

fire, casualty and surety rates. Commissioner Carlson states that a committee is being organized to formulate a new insurance code, incorporating proposed state control over rate laws. An appropriation of \$10,000 was recently asked from the state board of examiners to defray expenses incidental to completion of the proposed legislation, but was denied on the recommendation of the state budget director, who held no provision had been made for it from any of the state funds, general or otherwise. The interim insurance committee of the legislature was appointed without provision of funds. There is no appeal from the board of examiners, composed of the governor, attorney general and secretary of state, but members of the committee hope some way will be found to obtain the necessary sum to finance the study.

### Seattle General Agency Names Branch Managers

SEATTLE—The Gould & Gould general agency has appointed Robert L. Williamson, formerly special agent in Oregon, as manager of its Spokane office. He will have charge of the Idaho panhandle and eastern Washington. He went with Gould & Gould a year ago, after several years with Markel Service.

Richard L. Guider is appointed Oregon manager. He started with the firm in 1936 as claims manager at Portland and later was transferred to the head office as assistant claims manager. He was released recently from the navy after

more than three years service, with the rank of lieutenant-commander.

Two returning war veterans have taken their old posts with Gould & Gould, Inc., general agents at Seattle. H. O. Price, recently discharged from the army is traveling the western Washington field again as special agent. Comm. Carl Dahlberg has reverted to inactive status and is serving in the general agency's claim department.

### Posey Is Feted

SAN FRANCISCO—Company officials and insurance organization heads welcomed Addison C. Posey back to San Francisco as Pacific Coast manager of Hartford Fire and vice-president of Hartford Accident. While Joy Lichtenstein, who established Hartford Accident on the coast, warned the gathering that it was "Posey's party," the several impromptu speakers included him in the complimentary remarks. Mr. Posey, in acknowledging Mr. Lichtenstein's remarks, devoted most of his effort to paying high tribute to the man who put him into the business and under whom he worked for many years. Speakers included Guy L. Stevick, vice-president and Lee Cutler, Fidelity & Deposit, and Commissioner Garrison.

### Two Return to Glens Falls

SAN FRANCISCO—Craig Dill has been appointed superintendent of the survey department of Glens Falls with headquarters here. Mr. Dill was special agent at Fresno, Cal., before entering the navy.

Lt. R. Harold Griffith, Jr., formerly special agent for the bonding department in Los Angeles and son of Vice-president R. H. Griffith, has rejoined the organization as metropolitan special agent in San Francisco. He was with the army air force in the Pacific.

### New California Tax Setup

Under the new schedule for unemployment tax in California effective Jan. 1, all employers having one or more employees must contribute to the unemployment insurance fund, as well as the employees. The tax is 2.7% for employers and 1% for employees. Heretofore all employers with less than four employees were exempt. Insurance offices are being reminded of the change by the various insurance organizations.

### Cairns to Fresno for F. C. A. B.

Alan A. Cairns of the Portland, Ore., office of the Fire Companies Adjustment Bureau, has been transferred to Fresno, to be associated with branch manager Herbert Adler, assuming the position formerly held by W. F. Bartlett.

Mr. Cairns joined the Pacific coast department in 1939, having originally joined F.C.A.B. in 1932 in the eastern department. Prior to his transfer to Portland he managed the Stockton office.

### King County Banquet Jan. 8

SEATTLE—Sgt. Kenneth W. Day, a Seattle boy who spent most of the Pacific war in a Jap prison camp, will be the speaker at the annual banquet of the King County Insurance Association Jan. 8. R. O. Haynes of LaBow, Haynes Co. will be toastmaster. The business meeting and election will precede the cocktail hour and banquet.

### Announce Los Angeles Slate

LOS ANGELES—The nominating committee of the Insurance Association of Los Angeles has presented this slate for the annual meeting Jan. 8: President, Robert J. White; vice-president, Robert E. Battles; directors (six to be elected), T. E. Ashbrook; Kenneth Belknap, J. P. Bennett, Ira Brander, Ben Charles, Caine Farrell, Julian Ganz, Van

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### Wedell Joins Groninger

Groninger & Co., Seattle general agent, has appointed Glenn E. Wedell chief fire underwriter. He started with Northwestern Mutual Fire in 1932 and two years later launched his own agency at Seattle. He joined the O. D. Starr agency in 1937. For the past 2½ years he was with the West Construction Co. in an executive capacity in Alaska.

### Changes in Currey Office

Frank Mack has been appointed chief underwriter in the Charles E. Currey office in San Francisco, succeeding T. W. Douglas, resigned. Mr. Mack had been assistant chief underwriter.

William De Puy has been appointed special agent at Sacramento. He is now chief accountant.

### Utah Surplus Line Election

SALT LAKE CITY—The Utah Surplus Lines Association has elected these officers: Chairman, J. Eastman Hatch (reelected); secretary-treasurer, J. A. Ottenheimer; executive committee, E. Hugh Miller, Frank Salisbury and J. J. Weinstock. It was reported that the state law with reference to surplus lines is working out very well.

### NEWS BRIEFS

The San Francisco office of Home has sent three returning war veterans, R. W. Decker, David J. Gaggero and L. R. Doucet, to the home office for a refresher course before resuming their old duties.

Raymond C. Meairs, manager Pacific Mutual Life home office building, has resigned to enter the local insurance agency of his brother, M. W. Meairs, at Riverside, Cal.

## SOUTH

### Pillow Gets Bristow Agency

G. E. Pillow has acquired the W. O. Bristow agency, Franklin, Va. Since Mr. Bristow's death it has been operated as a corporation, with ownership between members of his family and Mr. Pillow, who was his son-in-law. Mr. Pillow was actively in charge as manager and secretary-treasurer.

### H. C. Hare Golden Anniversary

The H. C. Hare Co., Jacksonville general agent, in 1946 is marking the completion of 50 years of operation.

R. Bryan Bell, for 16 years assistant manager of Metropolitan Life in Atlanta, has joined the Gene Craig Co., local agency there.

The Insurance Women's Club of Oklahoma City heard H. T. Moran, local agent, discuss the new changes in the fire policies that became effective Jan. 1.

## Falloon Retires; Levien Now Atlas General Manager

Cecil H. Falloon is retiring as general manager of Atlas Assurance's head office in London but will continue as a director. He is succeeded by J. W. J. Levien, who has been assistant general manager. Charles Cheveley, secretary, becomes manager and secretary. S. F. Isaac, deputy actuary, has been named actuary and life manager succeeding William Penman, who is retiring from active service but will serve as director.

### Phoenix Opens Atlanta Inland Marine Office

The Phoenix of Hartford group has opened an inland marine service office

for the southeastern states at Atlanta with Thomas K. Marlowe as superintendent. He has had about 15 years experience in office and field and was for a number of years state agent of Phoenix in southern states. He has made an especial study of inland marine lines.

Mr. Marlowe returned recently after three years in the coast guard.

## MOTOR

### OPA Ceilings Don't Govern Loss Adjustments; G.E.I.C. Loses Texas Case

OPA ceiling prices don't govern insurance loss adjustments, according to the U. S. fifth circuit court of appeals in General Exchange vs. Tierney [24 CCH (Auto) 86].

Don F. Tierney's Cadillac, insured for the purchase price of \$3,384, was destroyed by fire. Forty-two days after he bought it OPA put a \$2,000 ceiling on that model and 36 days after that the car burned up, the salvage amounting to but \$250.

"The war powers act was for the purpose of curbing and preventing inflation," the court stated. "To accomplish such purpose it fixed a ceiling price on the class of cars here under consideration of \$2,000 for purchase or sale. It nowhere attempts to regulate or control adjustments for insurance loss. Moreover, it does not attempt to measure or fix value in setting up a price to be paid when such cars are bought and sold. Tierney was a traveling man, and his car was not for sale; and the regulations do not compel him to dispose of his automobile. He was not in the business of selling or dealing in automobiles, and the act does not classify him as such. He has not been identified in any of the regulations under the act, and we are of opinion that he has been exempted and excepted from its operation."

"The ceiling price fixed by OPA is not controlling in this case."

Tierney had won in the northern Texas federal court.

### Collision Losses Mount During Holiday Period

The extremely cold weather throughout much of the country during the holidays together with snow, sleet and rain made automobile driving very hazardous. There was quite an upsurge in automobile claims, largely collision and property damage. Cars skidded in all directions. Ofttimes they were out of control. The windshield was covered with ice. Altogether throughout most of the country the last two weeks have been as disagreeable as could be imagined. It was difficult to get repairs, as all garages were overloaded with work. There was no increase in personal injury largely because cars were driven slowly.

### Theft and Burning of Car Found to Be Collusive

Action by an insured against National Liberty for failure to pay a loss on a vehicle which it alleged was collusively "stolen" and burned was decided in favor of the insurer by the Virginia supreme court of appeals when it was found the owner had paid a former employee \$50 soon after the loss.

The automobile had been taken from the place where it had been parked and was destroyed by fire; the company defended on the ground that the insured had unlawfully and fraudulently procured and instigated the taking and burning of the vehicle.

Investigation by the police disclosed

that the car had been taken and burned by a former employee of the insured and it was subsequently discovered that the insured had paid this man \$50 two or three days after the loss occurred.

The employee was accompanied by a friend, a juvenile delinquent, on the night the car was stolen and statement by this witness disclosed that the car had been taken from in front of the post office and driven out to the country. The employee discovered a jug of gasoline in the trunk which he poured over the upholstery and interior of the car. He undertook to break the steering lock but being unsuccessful, threw the keys away.

The jury returned a verdict for the insured for the full amount of the loss, contending that the statements of the juvenile delinquent could be rejected. The trial court set the verdict aside and entered a final verdict for the insurer. On appeal the judgment was affirmed.

Kenneth S. Kerfoot, for several years an officer of a savings and loan association, has opened an insurance agency at 1100 Pioneer building, St. Paul.

George Laycock, formerly with the state banking department, has opened an agency at Texhoma, Okla.

## MARINE

### Meyer Takes Inland Marine Post for London Assurance

Robert J. Meyer has returned from 15 months' service as a T/5 in the quarter-master corps overseas, mainly in France, and has been appointed supervisor of the inland marine department in the Chicago metropolitan office of London Assurance and Manhattan F. & M. The department heretofore has not had a supervisor but this work has been handled by Manager James S. Goodwin, Assistant Manager Karl Weipert and others of the office.

Mr. Meyer at one time was connected with the Chicago office of Chubb & Son in inland marine work and subsequently in the western department of Pacific National Fire at Chicago in a similar capacity.

### Scandinavian Imports Increase

Acceleration in insurance on import cargoes from Sweden and Norway has



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been noticed among agents handling ocean marine business. Because Sweden remained neutral and most Norwegian ships escaped Axis control, these two governments have led the sea-faring nations in a return to normal trade. English and American ships are still occupied in transporting troops and war equipment.

Delay in reconversion and strike problems are held responsible for there being no increase in export insurance.

There are some indications of an accelerating trade with Italy and the Mediterranean territory in general.

## May Is New Aetna Inland Marine Superintendent

P. S. May has been appointed inland marine superintendent of Aetna Fire. Mr. May was a marine agency supervisor prior to serving in the navy as lieutenant (jg).

He attended Dean Academy and Dartmouth College. Before joining Aetna as a clerk in 1931, he spent a year in the stock brokerage business in Hartford.

## Insures Diamond Guaranty

A new type of insurance for the diamond industry was inaugurated some months ago when Diamond Craft of America in New York obtained a contract with St. Paul F.&M. to guarantee

its new multi-facet cut against chipping.

The diamond company guarantees replacement should one of their multi-facet diamonds chip while in the possession of a purchaser. The guarantee is insured by St. Paul F.&M. under a \$1 million policy.

This is the only policy of its type on the market and was approved after discussion with Superintendent Dineen of New York as to the validity of such a contract. Thus far experience has been excellent, as the new cut is of great benefit in preventing chipping.

There is a time limit of one year so that business may be closed out at intervals.

## Brussel Back at Atlanta

George H. Brussel, recently discharged from the coast guard after three years' service, has returned to his former post as superintendent of the inland marine and special lines department of the Atlanta service office of North British.

## Two Rejoin Newhouse & Sayre

William Niedecker, special agent of Newhouse & Sayre at Los Angeles and later with the Chicago office just before entering the army, has rejoined the Los Angeles office. Jack O'Mara is back in the underwriting department in San Francisco.

## Event of 1945 Is Overlapping Pact

(CONTINUED FROM PAGE 1)

this condition was intolerable, that the good will of the public was being jeopardized and that unless an orderly procedure was worked out the state insurance departments would be bound to take a hand and legislation might be enacted or regulations issued which would be distasteful and would constitute an undesirable extension of governmental authority over insurance.

## Two Groups Divided

A subcommittee of the loss committee of the National Board and a committee of the I.M.U.A. started deliberations but the two groups at that time were irreconcilably divided and it was finally necessary to abandon the conferences and give up hope for an agreement. However, several leaders felt that the matter had to be settled and they proceeded to confer in an informal way. Finally, they came to terms on a temporary agreement that would apply only to laundries and dry cleaners which were the risks that were burning and were causing the trouble. That agreement was submitted to individual companies, strictly as an interim measure, and about 250 insurers signed up, including member companies of the Federation of Mutual Fire Insurance Companies.

This agreement, being temporary, applying to only two types of risks, and failing to have the signatures of a good many companies, conferences were resumed in an effort to reach a permanent, all-inclusive formula.

## Terms of Temporary Pact

The temporary agreement roughly provided that the bailee's customers insurer should first pay the losses of those customers that did not have individual insurance and that the balance of the losses should be divided between the bailee's customers insurer and the household contents insurers under the limit of liability rule. This was generally recognized as a makeshift procedure, awkward and cumbersome, but it did provide assurance that losses would be paid promptly and that the customers would not be innocent victims of an intramural industry dispute.

The fire insurance people insisted that the bailee's customers insurance should be treated as primary insurance and this principle they have now been successful in getting established.

Some assured may still desire to claim under their household contents policy as the most convenient means of disposing of the matter and they can still do this under principle VII which goes on to state that claims filed by fire underwriters with the bailee underwriters after payment or advance to owners shall be recognized to the same extent as if directly presented to the owner through the bailee.

This is taken to mean by observers, however, that the bailee underwriter is not compelled to recognize the amount that is paid by the fire underwriter as the measure of the loss. If the fire insurance company has been over generous, the bailee insurer may make reimbursement only upon the proved value.

W. E. Mallalieu, general manager of the National Board, in transmitting the agreement to members, said:

"Recognizing that delay in the adjustment of claims occasioned by conflicts due to overlapping insurance is detrimental to public relations, this agreement is intended to provide a method of resolving such disputes and it is hoped that it will have the wholehearted support of the insurance industry."

"Basically, the agreement sets aside policy provisions that relate to other and excess insurance and determines the extent of contribution. Conflicts due to overlapping arising under the latest forms have been dealt with, the com-

mittees have endeavored to visualize all conflicts which may arise, but have made provision for treating with others that may not have been foreseen.

"Principle VII will doubtless invite the greatest interest. It provides that insurance on property effected by a bailee for the benefit of customers shall take precedence over the off premises extension of household contents insurance. It is recognized that some household contents policyholders may prefer to exercise the option of collecting under that policy rather than presenting a claim to the bailee. The household contents insurer may upon payment of such a claim present it to the bailee insurer and, where it is a proper one as to amount and the insurance is adequate, full reimbursement will be made by the bailee insurer."

"There will be instances where the bailee's customers insurance is limited in amount and inadequate to pay the claims of all customers. In such case, it is not intended that the agreement shall operate to prevent a bailee insurer, in the exercise of its discretion, from recognizing the claims of otherwise uninsured customers up to its full limit of liability, and should there then be any amount of insurance remaining it may be available for proration among the other customers and their household contents insurers."

"It is suggested that this agreement apply to all losses occurring on and after Jan. 1, 1946, and that losses prior thereto be adjusted in accordance with the informal agreement which has been in operation for some months between many of the companies members of the board."

The fire insurance committee that acted in this matter consisted of Thomas Buchanan, Aetna Fire; Vernon Hall, America Fore; J. G. Loose, Great American; K. L. McCallum, Travelers Fire, and D. B. Sherwood, Commercial Union. The marine committee consisted of E. J. Perrin, D. C. Bowersock, J. S. Gilbertson and E. I. Bartlett.

The new agreement is regarded by loss men and executives as a reflection of increased awareness of the need for good public relations. Much interest is taken in principle VIII, which provides for joint arbitration between the fire and inland marine companies, the first time, it is said, such machinery has been set up for cooperation between the two fields. This provides the machinery for ironing out any questions that may arise, and there are some not resolved by the agreement.

The public is taken care of promptly, and differences between companies will be worked out among themselves. While most companies have followed the practice of paying losses involving overlapping coverage, there have been instances of delay and resistance. These have been minor, but indicated the potential public annoyance that might arise from a serious fire of this kind, where a number of property owners are concerned. The agreement is expected to avoid any such possibility.

The new agreement does not base on limit of liability as did the temporary one. The limit of liability might become applicable under certain circumstances but in general under the new one the insurance will be exhausted if that is necessary to get everyone paid.

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